

EKURHULENI BUDGET

BUILDING A LOCAL ECONOMY THAT
GROWS IN THE HANDS
OF THE PEOPLE



DRAFT 2020/21 – 2022/23 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF)

Table of Contents

PART 1 – ANNUAL BUDGET	9
1.1 MAYOR’S REPORT	9
1.2 COUNCIL RESOLUTIONS	12
1.3 EXECUTIVE SUMMARY	15
1.4 OPERATING REVENUE FRAMEWORK.....	19
1.4.1 Property Rates	25
1.4.2 Sale of Water and Sanitation and Impact of Tariff Increases	29
1.4.3 Sale of Electricity.....	31
1.4.4 Waste Removal and Impact of Tariff Increases.....	35
1.4.5 Other Tariff Increases	36
1.4.6 Overall impact of tariff increases on households	40
1.5 OPERATING EXPENDITURE FRAMEWORK	41
1.5.1 Repairs and maintenance	44
1.5.2 Free Basic Services: Basic Social Services Package	47
1.6 CAPITAL EXPENDITURE	48
1.7 ANNUAL BUDGET TABLES – CONSOLIDATED	50
PART 2 – SUPPORTING DOCUMENTATION.....	85
2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS	85
2.1.1 Budget Process Overview.....	85
2.1.2 IDP and Service Delivery and Budget Implementation Plan	87
2.1.3 Financial Modelling and Key Planning Drivers.....	88
2.1.4 Community Consultation	88
2.1.5 Overview of alignment of annual budget with IDP	89
2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS	93
2.3.1 Performance indicators and benchmarks	97
2.3.2 Free Basic Services: basic social services package for indigent households.....	99
2.4 OVERVIEW OF BUDGET-RELATED POLICIES AND BY-LAWS	100
7(III) ACCOUNT QUERIES.....	116
7(V) CHARGING FOR SERVICES AND METERS.....	118
7(IV) DISPUTE AS TO AMOUNT OWING.....	118
2.5 OVERVIEW OF BUDGET ASSUMPTIONS	124
2.5.1 General inflation outlook and its impact on the municipal activities..	124
2.5.2 Credit rating outlook.....	125
2.5.3 Interest rates for borrowing and investment of funds.....	125
2.5.4 Collection rate for revenue services.....	126
2.5.5 Growth or decline in tax base of the municipality	126
2.5.6 Salary increases.....	126
2.5.7 Impact of national, provincial and local policies	127
2.5.8 Ability of the municipality to spend and deliver on the programmes.	127
2.6 OVERVIEW OF BUDGET FUNDING	127
2.6.1 Medium-term Outlook: Operating Revenue	127

2.6.2	<i>Medium-term outlook: capital revenue</i>	131
2.6.3	<i>Cash Flow Management</i>	134
2.6.4	<i>Cash-backed Reserves/Accumulated Surplus Reconciliation</i>	134
2.6.5	<i>Funding compliance measurement</i>	135
2.7	EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS	140
2.8	COUNCILLOR AND EMPLOYEE BENEFITS.....	144
2.10	ANNUAL BUDGETS AND SDBIPS – INTERNAL DEPARTMENTS	147
2.10.1	<i>CITY MANAGER</i>	147
2.10.2	<i>CHIEF OPERATING OFFICER: DELIVERY CO-ORDINATION</i>	148
2.10.3	<i>CITY PLANNING</i>	149
2.10.4	<i>COMMUNICATION & BRANDING DEPARTMENT</i>	156
2.10.5	<i>CORPORATE LEGAL SERVICES</i>	159
2.10.6	<i>DISASTER AND EMERGENCY MANAGEMENT SERVICES</i>	162
2.10.7	<i>ECONOMIC DEVELOPMENT</i>	164
2.10.8	<i>CITY OF EKURHULENI METRO POLICE DEPARTMENT (EMPD)</i> ..	178
2.10.9	<i>ENERGY</i>	179
2.10.10	<i>ENVIRONMENTAL RESOURCE AND WASTE MANAGEMENT</i>	181
2.10.11	<i>EXECUTIVE OFFICE</i>	186
2.10.12	<i>FINANCE DEPARTMENT</i>	187
2.10.13	<i>HEALTH AND SOCIAL DEVELOPMENT</i>	190
2.10.14	<i>HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT</i>	191
2.10.15	<i>HUMAN SETTLEMENTS</i>	192
2.10.16	<i>BUDGET OF EKURHULENI HOUSING COMPANY (EHC)</i>	199
2.10.17	<i>INFORMATION COMMUNICATION TECHNOLOGY (ICT)</i>	200
2.10.18	<i>INTERNAL AUDIT</i>	207
2.10.19	<i>LEGISLATURE</i>	208
2.10.20	<i>REAL ESTATE</i>	209
2.10.21	<i>RISK MANAGEMENT</i>	210
2.10.22	<i>ROADS AND STORM WATER</i>	211
2.10.23	<i>SPORT, RECREATION, ARTS AND CULTURE (SRAC)</i>	214
2.10.24	<i>STRATEGY & CORPORATE PLANNING</i>	223
2.10.25	<i>TRANSPORT PLANNING AND PROVISION</i>	224
2.10.26	<i>BUDGET FOR BRAKPAN BUS COMPANY (BBC)</i>	226
2.10.27	<i>WATER AND SANITATION</i>	227
2.10.28	<i>BUDGET OF ERWAT</i>	232
2.11	CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS.....	234
2.12	CAPITAL EXPENDITURE DETAILS.....	234
2.13	DETAILED CAPITAL BUDGET PER MUNICIPAL VOTE-	239
2.14	LEGISLATION COMPLIANCE STATUS	240
2.15	OTHER SUPPORTING DOCUMENTS	241
2.16	IMPLEMENTATION OF MSCOA.....	257
2.17	MUNICIPAL MANAGER’S QUALITY CERTIFICATE	259

List of Tables

Table 1 Consolidated Operating Budget Summary	18
Table 2 Consolidated Overview of the 2020/21 MTREF	18
Table 3 Consolidated Summary of revenue classified by main revenue source.....	20
Table 4 Percentage growth in revenue by main revenue source (this represents the revenue per source as a percentage of the total revenue)	21
Table 5 Operating Transfers and Grant Receipts	23
Table 6 Comparison of proposed rates to be levied for the 2020/21 financial year at 7.5% increase	28
Table 7 Table 1 Consolidated Operating Budget Summary of Tariffs: Water	29
Table 8 Impact of water increases for a single dwelling house	30
Table 9 Summary of tariffs: sanitation.....	30
Table 10 Impact of sanitation increases on a single dwelling house	31
Table 11 Summary of tariff increases: electricity.....	32
Table 12 Comparison between current electricity charges and increases (Domestic).....	35
Table 13 Comparison between current waste removal fees and increases	36
Table 14 Summary of the Sundry Tariff Increases	36
Table 15 MBRR Table SA14 – household bills	40
Table 16 Summary of the consolidated operating expenditure by standard classification item (Table A4)	43
Table 17 Operational repairs and maintenance (SA1)	45
Table 18 Consolidated repairs and maintenance by asset class (SA34c).....	45
Table 19 Cost of Free Basic Services and Indigents.....	47
Table 20 2020/21 Medium-term Capital Budget per vote–	49
Table 21 MBRR Table A1 - Consolidated Budget Summary	51
Table 22 MBRR Table A2 – Consolidated Budgeted Financial Performance (revenue and expenditure by function classification)	55
Table 23 MBRR Table A3 Consolidated – Budgeted Financial Performance (revenue and expenditure by municipal vote)	58
Table 24 Surplus/ (deficit) calculations for trading services as per MBRR Table A3.....	60
Table 25 MBRR Table A4 – Consolidated Budgeted Financial Performance (revenue and expenditure).....	61
Table 26 MBRR Table A5 – Consolidated Budgeted Capital Expenditure by vote, standard classification and funding source	64
Table 27 MBRR Table A6 – Consolidated Budgeted Financial Position.....	68
Table 28 MBRR Table A7 – Consolidated Budgeted Cash Flow Statement.....	71
Table 29 MBRR Table A8 – Consolidated Cash-backed Reserves/Accumulated Surplus Reconciliation	72
Table 30 MBRR Table A9 – Consolidated Asset Management.....	74
Table 31 MBRR Table A10 – Consolidated Basic Service Delivery Measurement.....	80
Table 32 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue	91
Table 33 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure	92
Table 34 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure	93

Table 35 MBRR Table SA7 - Measurable performance objectives	94
Table 36 MBRR Table SA8 - Performance indicators and benchmarks	97
Table 37 Credit rating outlook	125
Table 38 Tariff increases over the MTREF	128
Table 39 Detailed Budget Assumption for services	128
Table 40 MBRR SA15 – Detailed Investment Information	129
Table 41 MBRR SA16 – Investment particulars by maturity	130
Table 42 Sources of capital revenue over the MTREF.....	131
Table 43 MBRR Table SA17 - Detail of borrowings	132
Table 44 MBRR Table SA18 - Capital transfers and grant receipts	134
Table 45 MBRR Table A7 - Budget cash flow statement.....	134
Table 46 MBRR Table A8 – Cash-backed reserves/accumulated surplus reconciliation	135
Table 47 MBRR SA10 – Funding compliance measurement	136
Table 48 MBRR SA19 - Expenditure on transfers and grant programmes.....	140
Table 49 MBRR SA20 - Reconciliation between transfers, grant receipts and unspent funds	142
Table 50 MBRR SA22 - Summary of councillor and staff benefits	144
Table 51 MBRR SA23 – Salaries, allowances & benefits	146
Table 52 MBRR SA24 – Summary of personnel numbers	147
Table 53 Operating Budget of the City Manager	148
Table 54 Operating Budget of the Chief Operating Officer: Delivery Co-Ordination	149
Table 55 Operating Budget of the City Planning Department	156
Table 56 Operating Budget of the Communication & Branding Department	159
Table 57 Operating Budget of the Corporate Legal Services Department.....	162
Table 58 Operating Budget Disaster and Emergency Management Services.....	164
Table 59 Operating Budget of the Economic Development Department.....	177
Table 60 Operating Budget of the City of Ekurhuleni Metro Police Department	179
Table 61 Operating Budget of the Energy Department	181
Table 62 Operating Budget of Environmental Resource and Waste Management.....	186
Table 63 Operating Budget of Executive Office	187
Table 64 Operating Budget of the Financial Services Department	190
Table 65 Operating Budget of the Health and Social Development	191
Table 66 Operating Budget of the Human Resources Management and Development	192
Table 67 Operating Budget of the Human Settlements Department	198
Table 68 Operating Budget of Ekurhuleni Housing Company.....	200
Table 69 Operating Budget of Information Communication Technology.....	207
Table 70 Operating Budget of the Internal Audit.....	208
Table 71 Operating Budget of the Legislature Department.....	208
Table 72 Operating Budget of the Real Estate Department	210
Table 73 Operating Budget of the Risk Management Department	211
Table 74 Operating Budget of the Road and Storm Water Department	214
Table 75 Operating Budget of the Sport, Recreation, Arts and Culture Department.....	223
Table 76 Operating Budget of the Strategy & Corporate Planning Department	223
Table 77 Operating Budget of the Transport Planning and Fleet Department	226
Table 78 Operating Budget of the Brakpan Bus Company.....	227
Table 79 Operating Budget of the Water and Sanitation Department.....	231
Table 80 Budget of ERWAT	233
Table 81 MBRR SA34a - capital expenditure on the renewal of new assets by asset class.....	234

Table 82 MBRR SA34b - capital expenditure on the renewal of existing assets by asset class	235
Table 83 MBRR SA34c - repairs and maintenance expenditure by asset class.....	237
Table 84 MBRR SA34e - Capital expenditure on the upgrading on the existing assets by asset class	238
Table 85 MBRR SA35 - future financial implications of the Capital Budget.....	239
Table 86 MBRR SA37 - Projects delayed from previous financial year	239
Table 87 MBRR Table SA1 - Supporting detail to budgeted financial performance	241
Table 88 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)	243
Table 89 MBRR Table SA3 – Supporting detail to Statement of Financial Position).....	244
Table 90 MBRR Table SA9 – Social, economic and demographic statistics and assumptions	245
Table 91 MBRR Table SA32 – List of external Mechanisms	249

List of Figures

Figure 1 Capital Infrastructure Programme	50
Figure 2 Growth in outstanding borrowing (long-term liabilities)	133

Abbreviations and Acronyms

AARTO	Administrative Adjudication of Road Traffic Offences	L	Litre
AGSA	Auditor-General South Africa	LMCDP	Lungile Mtshali Community Development Project
ARS	Application Rationalisation Strategy	M&E	Monitoring and Evaluation
ASGISA	Accelerated and Shared Growth Initiative	MBRR	Municipal Budget and Reporting Regulations
BSC	Budget Steering Committee	MEC	Member of the Executive Committee
CBD	Central Business District	MFMA	Municipal Financial Management Act
CBO	Community Based Organisation	MHDP	Municipal Housing Development Plan
CBP	Community Based Projects	MIG	Municipal Infrastructure Grant
CCA	Customer Care Areas	MMC	Member of Mayoral Committee
CCC	Customer Care Centres	MOU	Memorandum of Understanding
CFO	Chief Financial Officer	MPRA	Municipal Properties Rates Act
CIF	Capital Investment Framework	MSA	Municipal Systems Act
CIPC	Companies and Intellectual Property Commission	MSDF	Metropolitan Spatial Development Framework
CITP	Comprehensive Integrated Transport Plan	MTEF	Medium-term Expenditure Framework
CM	City Manager	MTREF	Medium-term Revenue and Expenditure Framework
CODESA	Convention for a Democratic South Africa	MVRA/ DLTC	Motor Vehicle Registering Authority / Driver's Licensing Testing Centre
COO	Chief Operating Officer	NDP	National Development Plan
CPI	Consumer Price Index	NDPG	Neighbourhood Development Programme Grant
CPIX	Consumer Price Index excluding mortgage costs	NERSA	National Energy Regulator of South Africa
CRM	Customer Relations Management	NGO	Non-Governmental Organisations
CSIR	Council of Scientific and Industrial Research	NKPIs	National Key Performance Indicators
DCS	Digital City Systems	NOC	Network Operation Centre
DEMS	Disaster and Emergency Management Services	NSDP	National Spatial Development Perspective
DMTN	Domestic Medium-term Note	NT	National Treasury
DORA	Division of Revenue Act	NUSP	National Upgrading Support Programme
EDC	Ekurhuleni Development Company	OHS	Occupational Health and Safety
EE	Employment Equity	OPCA	Operation Clean Audit
EIA	Environmental Impact Assessment	OPM	Organisational Performance Management

EM	Executive Mayor	PBO	Public Benefit Organisations
EMIS	Engineering Management Information System	PDI	Previously Disadvantaged Individuals
CoE	City of Ekurhuleni	PHC	Provincial Health Care
EMPD	Ekurhuleni Metro Police Department	PMO	Project Management Office
EPWP	Expanded Public Works Programme	PMS	Performance Management System
ERM	Environmental Resource Management	PPE	Property Plant and Equipment
ERP	Enterprise Resource Planning	PPI	Producer Price Index
FBE	Free basic electricity	PPP	Public Private Partnership
FBS	Free basic services	PRASA	Passenger Rail Agency of South Africa
GAMAP	Generally Accepted Municipal Accounting Practice	PSI	Public Services Infrastructure
GDP	Gross domestic product	PTIS	Public Transport Infrastructure System
GDS	Growth and Development Strategy	RFP	Request for Proposal
GFS	Government Financial Statistics	RG	Restructuring Grant
GGDS	Gauteng Growth and Development Strategy	R&M	Repair & Maintenance
GPG	Gauteng Provincial Government	RMEP	Revenue Management
GRAP	General Recognised Accounting Practice	RMTC	Road Management Traffic Corporation
HR	Human Resources	RSDF	Regional Spatial Development Framework
HSDG	Human Settlement Development Grant	SALGA	South African Local Government Association
HSDP	Human Settlement Development Plan	SAMSA	South African Maritime Safety Authority
IBALCO	IDP Budget Asset and Liability Committee	SAPS	South African Police Services
IBT	Inclining Block Tariff	SCOA	Standard Chart of Accounts
ICT	Information Communication Technology	SDBIP	Service Delivery Budget Implementation Plan
IDP	Integrated Development Strategy	SIP	Strategic Implementation Plan
IMS	Intelligent Metering Systems	SMME	Small Micro and Medium Enterprises
INEP	Integrated National Electrification Programme	SRAC	Sports, Recreation, Arts and Culture
IR	Institutional Review	STS	Standard Transfer Specification
IRPTN	Integrated Rapid Public Transport Network	UCC	Unified Command Centre
IT	Information Technology	USDG	Urban Settlement Development Grant
KPA	Key Performance Area	VAT	Value Added Tax
KPI	Key Performance Indicator	WMS	Waste Management Services
kWh	kilowatt hour		

Part 1 – Annual Budget

1.1 Mayor's Report

We have just completed this administration's fourth financial year. Indeed, this is a financial year in which we accelerated service delivery while ensuring that we keep our City financially viable.

When we commenced with our term of office, we outlined a clear programme of action to advance a '**pro-poor**' agenda which is meant to fast-track quality, equitable and sustainable services to our people. Furthermore, we made mention of our commitment to strengthening the existing social compact between communities, business, civil society and us as government by building a responsive administration that works effectively for all the people of Ekurhuleni. We said we must develop and strengthen a local economy that grows in the hands of the people.

Our people expect us to provide them with decent houses, access roads and quality services; they expect us to tackle corruption and expand health care services among others. The people have appealed to us to among others ensure that we make our informal settlements more livable so that we restore their dignity

Our quest to achieve that which we promised to do is guided by the following:

- Improve service delivery through visible, impactful and optimal programmes supported by Capex spending;
- Make informal settlements more habitable through the upscaling of services;
- Create a working economy for all the people of the City;
- Strengthen communities through housing, improvement of sanitation, healthcare and educational facilities; and
- Build an effective, efficient, accountable, and stable local state embedded in rapid service delivery to the people.

Our work is further located within the broad framework of our City's Growth and Development Strategy (GDS 2055) which sets for us a long-term strategic vision for development. In its articulation, the GDS (2055) outlines a short-term strategy of building a Delivering City between 2012 and 2020, anchored on the practical achievements of a well-managed, resourced and financially sustainable city.

Progress has been recorded in many areas including the handling of public funds. Our service delivery machinery continues to deliver hence we are the best service delivering metro in the Gauteng City Region. Our people confirmed this through a snap survey conducted by the Gauteng City Region. We continue to produce the cleanest drinking water in the country, and our efforts to restore dignity to our people resulted in us doubling the number of mobile toilets in informal settlements while intensifying the systematic and incremental rollout of basic services in these areas through the progressive re-blocking process.

Recognising that the restoration of trust and integrity in our institutions is dependent on fighting corruption and its corrosive effects, we have also strengthened our anti-corruption systems. We remain committed to ensuring that we tackle the scourge of corruption as and when it rears its ugly head because a government must always be accountable to its people. We have been given the responsibility to handling the public purse and we dare not have betray the trust of our people.

Over the years we have increased our capital budget by an average of 10.5 percent per annum to demonstrate our resolve to provide better services to our people. Over the years we have witnessed a worrying trend when it comes to Capex – which at one stage stood at about 90%, a clear demonstration that we were not doing enough. However, it is with great excitement to indicate that in the past financial year we recorded 94.31% Capex and the administration remains committed to take this to at least 95% in the current financial year.

This expenditure record on Capex reflects our effectiveness in rolling out infrastructure programmes such as roads, water and sanitation networks, waste management and providing quality human settlements. It also demonstrates progress in our expansion of access to healthcare, social development, sports, arts and culture services.

In this regard we have seen radical transformation in the lives of ordinary people, particularly those in townships and informal settlements who have historically been hurled at the margins of existence. The exponential growth in our population size demonstrates that the City of Ekurhuleni is a destination of choice for many who are seeking a better life for themselves and their families.

This growth is a source both of challenge and of opportunity. But above all, it is a stamp of approval on the work that has been done over the last 20 years – work that is geared towards building a local economy that grows in the hands of the people through sustainable investments and strategic partnerships with the private sector and civil society.

This government's agenda remains grounded on the principle of delivering and doing that which touches the lives of people significantly. We are a government that wants to see scientific proof of that which it delivers.

Our resolve to ensure that we create a learned society that will be able to respond to our economic challenges has resulted in our increase of the education allocation to R100 million community bursary fund. The net effect of this investment has been an increase in the number of beneficiaries and augurs well for the future of the City. To date we have produced among others doctors, journalist, pilots and many more in our quest to provide a better future for our people. And of course, the President has pronounced on the Ekurhuleni University of Science and Technology, a major game changer for this administration and the future if the City.

Our economic development efforts and service delivery programme must at all times have a positive impact on society.

We shall continue seeking and employing better and effective revenue enhancement strategies so that we can fast-track that which we have been mandated by the people.

We shall soldier on with our investment approach which is centred on an integrative platform wherein we prioritise such interventions as partnering with local and international chambers of commerce and industry associations to entice, facilitate and retain inward investment by creating a dedicated fund through the Ekurhuleni Development Agency.

In conclusion, we have undoubtedly done tremendously well in implementing our plans effectively. Our City is operating on a progressive path to transform the living standards of our people. We dare not fail in the course for a better life for all. ***Siyaqhuba!***

Yours in Service Delivery.

Cllr Mzwandile Masina

Executive Mayor

1.2 Council Resolutions

On 19th March 2020, the Executive Mayor tables to the City of Ekurhuleni's Council the draft 2020/21 MTREF in terms of section 16(2) of the MFMA. The Council will consider the following resolutions:

1. The Council of the City of Ekurhuleni, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003), **APPROVES** and **ADOPTS**:
 - 1.1 The budget of the City and the entities for the financial year 2020/21 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1 Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 22 on page 55;
 - 1.1.2 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 23 on page 58;
 - 1.1.3 Consolidated Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 25 on page 61; and
 - 1.1.4 Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 26 on page 64.
 - 1.1.5 The entities budget is depicted on the following tables:
 - 1.1.5.1 Ekurhuleni Housing Company contained in Table 70 on page 199
 - 1.1.5.2 Brakpan Bus Company contained in Table 8 on 227
 - 1.1.5.3 ERWAT contained in Table 86 on page 233
 - 1.2 The consolidated financial position, cash flow budget, cash backed reserve / accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 1.2.1 Consolidated Budgeted Financial Position as contained in Table 27 on page 67
 - 1.2.2 Consolidate Budgeted Cash Flows as contained in Table 28 on page 71
 - 1.2.3 Consolidated Cash backed reserves and accumulated surplus reconciliation as contained in Table 29 on page 72
 - 1.2.4 Consolidated Asset management as contained in Table 30 on page 74, and
 - 1.2.5 Basic service delivery measurement as contained in Table 31 on page 80.
2. The Council of the City of Ekurhuleni, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) **APPROVES** and **ADOPTS** with effect from 1 July 2020:
 - 2.1 Schedule 1 - Tariffs for property rates.
 - 2.2 Schedule 2 – Tariffs for electricity.
 - 2.3 Schedule 3 - Tariffs for the supply of water.
 - 2.4 Schedule 4 - Tariffs for the supply of sewer.
 - 2.5 Schedule 5 – Tariffs for waste management services.

– As set out in Annexure C
3. The Council of the City of Ekurhuleni, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) **APPROVES** and **ADOPTS** with effect from 1 July 2020 the tariffs for other services, as set out in the various tariff schedules as contained in Annexure C.

4. To give proper effect to the municipality's annual budget, the Council of the City of Ekurhuleni **APPROVES**:
 - 4.1 **That** cash backing is implemented through the utilisation of a portion of the revenue generated from property rates and user charges for services to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by Section 8 of the Municipal Budget and Reporting Regulations.
 - 4.2 **That** the City **BE PERMITTED** to enter into long-term borrowings for the funding of the capital programmes in respect of the 2020/21 financial year limited to an amount of R2.542 billion, 2021/22 financial year limited to an amount of R2.664 billion and 2022/23 financial year limited to an amount of R2.600 billion, in terms of Section 46 of the Municipal Finance Management Act.
 - 4.3 **That** the City Manager **BE AUTHORISED** to sign all necessary agreements and documents to give effect to the above borrowing programme.
 - 4.4 **That** the taking up of an external loan of R2.542 billion to fund the 2020/21 Capital Budget **BE APPROVED** for a term of 10 to 15 years and that a further report be submitted to Council to give feedback on the public comments received in this regard before the transaction is finalised.
5. To guide the implementation of the municipality's annual budget, the Council of the City of Ekurhuleni **APPROVES** the amended policies and by-laws as set out in the Annexure D of this document.

By-laws

- | | |
|--------------|--|
| Annexure D01 | Credit Control and Debt Collection (new) |
| Annexure D02 | Property Rates (new) |

Policies

- | | |
|---------------|--|
| Annexure D1 | Medium - term Budget Statement Policy (reviewed) |
| Annexure D2 | Pricing Policy Statement (reviewed) |
| Annexure D3 | Property Rates Policy (reviewed) |
| Annexure D4.1 | Provision of Free Basic Electricity Policy (reviewed) |
| Annexure D4.2 | Provision of Free Basic Water Supply Services (reviewed) |
| Annexure D5 | Waste Management Tariff Policy (reviewed) |
| Annexure D6 | Consumer Deposit Policy (reviewed) |
| Annexure D7 | Indigent Support Policy (reviewed) |
| Annexure D8 | Credit Control & Debt Collection Policy (reviewed) |
| Annexure D9 | Provision for Doubtful Debt and Debt Write-Off Policy (reviewed) |
| Annexure D10 | Budget Implementation and Monitoring Policy (reviewed) |
| Annexure D11 | Municipal Entity Financial Support Policy (reviewed) |
| Annexure D12 | Accounting Policy (reviewed) |
| Annexure D13 | Electricity Metering for Residential and business Customers (reviewed) |
| Annexure D14 | Policy for the vending of pre-paid electricity (reviewed) |

Annexure D15	Policy for Correction of Meter Reading and Billing Data (reviewed)
Annexure D16	Electricity Tariff Policy (reviewed)
Annexure D17	Virements Policy (reviewed)
Annexure D18	Consumer Agreement (reviewed)
Annexure D19	Supply Chain Management Policy (reviewed)
Annexure D20	Treasury Policy (reviewed)
Annexure D21	Allocation of Grant-in Aid (reviewed)
Annexure D22	Asset Management Policy (reviewed)
Annexure D23	Cost Containment Policy (reviewed)
Annexure D24	Policy for the wheeling of Electricity (new)
Annexure D25	Policy guideline for Small-scale Embedded generation (new)

6. To ensure oversight of the municipal entities, as required by Section 89 of the Municipal Finance Management Act, Council **APPROVES** the salaries and benefits of the Municipal Entities to be in line with the proposed increases as set out in the budget of City of Ekurhuleni.
7. **That** the Chief Financial Officer and the City Manager **BE DELEGATED** the authority to take the following factors into consideration and submit a report to Council at its next meeting:
 - 7.1 all operating and capital grants received in addition to the currently gazetted DORA grants;
 - 7.2 income received for recoverable jobs;
 - 7.3 insurance claims received;
 - 7.4 developers' contributions received;
 - 7.5 transactions on the internal cost management structure; and
 - 7.6 re-allocations from Council General vote to other votes.
8. **That**, in order to facilitate multi-year budgeting, departments **BE AUTHORISED** to commit projects on the 2021/22 and 2022/23 budgets, on both internal and confirmed external funding sources.
9. **That** authority **BE GRANTED** to the City Manager and the Chief Financial Officer, to negotiate a bridging finance to a **maximum amount of R200 million**, in respect of bank overdraft facilities and/or the raising of short-term loans, including loans at call from Council's bankers, for the financial year ending 30 June 2021 in order to finance temporarily –
 - Expenditure on the Capital Budget; or
 - Expenditure on the Operating Budget incurred in anticipation of the receipt of revenue estimated and from which the expenditure would have been defrayed.
10. **That** the City Of Ekurhuleni's draft IDP for 2020/21 as contained in **Annexure "A" BE ADOPTED**.
11. **That** the copy of the draft IDP **BE SUBMITTED** to the MEC for Local Government and Relevant provincial department.
12. **That** the MEC for Local Government **BE REQUESTED** to approve the City of Ekurhuleni draft IDP for 2020/21 as its Land Development Objectives as envisaged in Section 72a of the Development Facilitation Act."

13. **That** the Built Environment Performance Plan (BEPP) for the 2020/21 to 2022/2023 financial period attached to the report as **Annexure G BE ADOPTED**.
14. That the SDBIP for the 2020/21 as required by the National Treasury Circular 94 dated 8th March 2019 **BE NOTED**.

1.3 Executive Summary

Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner, which is consistent with its IDP. This includes the compilation of the Medium-term Revenue and Expenditure Framework.

The City's GDS and IDP are its principal strategic planning instruments, which directly guide and inform its planning, budgeting, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation, which directly informs the Service Delivery and Budget Implementation Plan.

With the compilation of the draft 2020/21 Medium-Term Revenue and Expenditure Framework (MTREF), each department/function had to review its business planning processes taking into account their individual departmental strategies. Business planning links back to priority needs and master planning, and essentially inform the detail operating budget appropriations and three-year capital programme.

The current slowdown of the economy will continue to pressurise municipal revenue generation and collection hence a conservative approach was followed for projecting revenue. These circumstances make it essential for municipalities to reprioritise expenditure and implement stringent cost-containment measures.

In his National Budget Speech of 26 February 2020, the Minister of Finance pointed out:

The 2021 National budget has a deficit of R370.5 billion or 6.8% of Gross Domestic Product, leading to rising costs to service the debt; downward adjustments of already constraint resources and redirecting to areas of high social impact and larger economic multipliers. Areas of reductions include the Wage Bill (employee costs), Health, Education, reduction of conditional grants to provinces and municipalities. Reductions also include the suspension of integrated public transport networks in Buffalo City, Msunduzi and Mbombela Municipalities and the implementation of reforms to reduce fruitless and wasteful expenditure and implementation of consequence management.

The compilation of the draft 2020/21 MTREF therefore remains a huge challenge to balance the budget between the limited revenue resources available and the immense need to provide quality services to our community. Tariff increases must be limited to be within the affordability levels of our community and must still promote economic growth to ensure financial sustainability.

The 2020/21 budget is based on an expected growth rate of **1%** for waste removal and property rates with the exception of the water and electricity services. No growth was factored in Water & Sanitation and Energy services due to the anticipated reduction in consumption because of negative economic downturn affecting industrials and households.

The MTREF used the guidelines set by the Minister of Finance in his Medium-term Budget Policy Statement Speech as well as the guidelines in terms of latest Circular No.99 dated 10 March 2020 as issued by National Treasury. The **inflation outlook** as set out in the Circular is at **4.5%** for the 2020/21 financial year.

In order to realise required funding and based on differential rating ratios in respect of individual categories of properties, it is proposed that **assessment rates be increased by 7.5%, which remains unchanged to the percentage increase of 2019/20.**

On the 09th March 2020, the National Energy Regulator of South Africa (Nersa), considered Eskom application for retail tariffs and structural adjustments. The **electricity proposed tariff increases** are based on NERSA approval of Eskom application. At the moment the **estimated increase in energy sales ranges between 6.61 and 8.76%**. These figures are subject to NERSA's consultation processes. Bulk purchases is estimated to increase by 6.9% in 2021. Bulk sales is estimated to increase by 6.0% in 2021.

Rand Water indicated a tariff increase 15.0% which is the same as the 2019/20 increase. The increase is more than the 4.5% CPI in Circular 99 due to the inclusion of the water Research Levy, chemical and energy costs. This increase must still be approved at Cabinet level as it forms part of administered prices.

The cost of sewer purification rendered by ERWAT will increase by 11% due to increases in prices of chemicals, labour costs and CPI and demand for the maintenance of the sanitation networks. CoE will increase sanitation **tariff with 11% as proposed.**

As in the previous year, **Refuse removal tariff increase** is proposed to remain the same at **7.5%** for all users. This is largely based on the increase of the main cost drivers of the service such as fuel and lubricants and vehicle operating costs. The 7.5% increase does not take into consideration costs such as provision for doubtful debts and depreciation charges. Substantial tariff increases would be required to fully fund the service.

Sundry tariff increases will be limited, in most instances, to be within the CPI rate of 4.5%.

Burial and Cemetery tariff increase is proposed at **4.5% for CoE residents and 6.5% for non-residents**. This is due to the fact that the current tariffs are not cost reflective and a benchmarking exercise indicated that the City's tariffs are less than those charged by other municipalities.

The impact of the above tariff increases on households is estimated to vary between 10.7% and 13.4%, as set out in Table 15 MBRR Table SA14 – household bills on page Error! Bookmark not defined.

In order to sustain the services rendered to our community the **repair and maintenance** budget has been increased to R3.0 billion in 2020/21 as compared to R3.2 billion in 2019/20.

The financial sustainability of the 2019/20 MTREF is largely dependent on the collection level of billed income. Provision is made for a **collection level of 94%.**

The **Capital Budget of R5.8 billion for 2020/21 is 14.6% less** when compared to the 2019/20 Adjusted Budget of **R6.8 billion**. Entities are also included in the Capital Budget of **R5.8 billion**.

The Capital Budget is largely driven by projects emanating from the GDS 2055, IDP and projects identified by the community as well as the backlog in services.

In terms of Council's social commitment to assist the poorer communities in Ekurhuleni provision was also made for the supply of free basic services and social contributions to registered indigents within Ekurhuleni.

All residential owners will **continue to receive assessment rate exemption on the value of their homes. The first R150 000 is exempted for assessment rates.** Various other grants on assessment rates, such as pensioners' rebate, rebate to low income households, properties zoned for religious purposes, will continue in the new year.

The slow pace in registering indigents forced Council to consider an alternative option in addressing the indigents. Similar to the process followed by other cities in SA, Council adopted the targeted approach. This implies that **all residents with property values of less than R150 000 are deemed as indigent.**

The following policies relating the provision of free of basic services have been reviewed:

- The **indigent qualifying criteria** has been amended as follows:
"combined household income of all occupants / residents and/or dependents residing on the property and are over the age of 18 years of age, is less than two (2) monthly minimum wage determination based on Area "A" Domestic worker who work more than 27 ordinary hours per week, as amended by Minister of Labour from time to time; this brings the total household income for qualifying indigents to **R5, 090** per month;
- The free basic electricity policy remains at 100kWh for all households subject to IBT. This policy requires further review in the coming years to bring it in line with national policy, which provides that free electricity be limited to 50kWh for indigent households only. The City of Ekurhuleni will provide free basic water and sewer services (6kl) to registered indigent households and all properties with a value not exceeding R750 000. The City will also provide an additional 3kl free basic water services to registered indigent household as prescribed in the Council's approved Indigent Policy. The total amount budgeted for **free basic services** and social grants to our community amounts to **R4.8 billion compared to R4. billion in 2019/20 adjusted budget.**

The 2020/21 Multi-year budget, with comparative information is as follows:

Table 1 Consolidated Operating Budget Summary

	2019/20 - Revised Budget	2019/20 - YTD as at 29th February 2020	2020/21 Draft Budget	2021/22 Draft Budget	2022/23 Draft Budget
CONSOLIDATED	R	R	R	R	R
Revenue By Source					
Property rates	6,140,478,219	3,713,793,478	6,377,188,760	6,919,249,801	7,611,174,784
Service charges	23,728,239,444	15,694,355,354	26,063,092,449	28,439,606,374	31,067,671,147
Rental of facilities and equipment	136,271,005	91,336,524	147,278,357	155,280,778	163,718,048
Interest earned - external investments	995,925,105	541,366,678	1,082,244,476	1,140,637,301	1,202,277,175
Fines, penalties and forfeits	610,707,136	92,066,606	632,942,917	667,121,844	703,146,418
Licences and permits	305,915,543	200,526,485	322,434,985	339,846,476	358,198,184
Agency services	-	-	-	-	-
Transfers and subsidies	4,805,933,271	3,271,914,359	4,859,288,102	5,203,384,012	5,289,412,054
Other revenue	3,156,418,028	2,041,395,593	3,218,188,146	3,696,702,097	4,125,795,245
Gains on disposal of PPE	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	39,879,887,751	25,646,755,077	42,702,658,192	46,561,828,682	50,521,393,055
Expenditure By Type					
Employee related costs	9,605,604,048	6,161,494,399	10,397,285,197	11,283,869,351	12,220,699,955
Remuneration of councillors	139,695,066	90,724,872	150,870,667	162,940,314	175,975,535
Debt impairment	2,369,165,652	1,323,982,763	2,565,397,721	3,271,324,385	3,727,236,047
Depreciation & asset impairment	2,203,918,615	1,483,118,428	2,313,951,022	2,432,024,594	2,555,860,710
Finance charges	1,096,076,483	598,061,718	1,405,054,769	1,497,493,352	1,586,880,130
Bulk purchases	15,703,689,808	10,171,522,353	16,850,650,615	18,361,910,430	20,029,731,912
Other materials	1,993,904,378	1,179,617,861	2,159,652,323	2,298,620,075	2,458,153,911
Contracted services	4,814,631,451	2,581,543,778	4,875,118,065	5,128,807,819	5,476,473,541
Transfers and subsidies	652,628,672	310,810,413	700,242,794	735,169,325	801,468,050
Other expenditure	1,271,236,416	689,086,843	1,268,179,227	1,371,872,296	1,469,233,538
Loss on disposal of PPE	15,307,321	2,202,767	16,133,916	17,005,147	17,923,425
Total Expenditure	39,865,857,910	24,592,166,192	42,702,536,316	46,561,037,088	50,519,636,753
Surplus/(Deficit)	14,029,841	1,054,588,885	121,876	791,594	1,756,302
Transfers and subsidies - capital	2,719,543,860	897,565,731	2,448,730,732	1,767,945,408	1,737,194,861
Transfers and subsidies - capital	-	-	-	-	-
Transfers and subsidies - capital (in-kind)	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	2,733,573,701	1,952,154,615	2,448,852,608	1,768,737,002	1,738,951,163
Taxation	6,000,000	2,927,536	-	-	-
Surplus/(Deficit) after taxation	2,727,573,701	1,949,227,079	2,448,852,608	1,768,737,002	1,738,951,163

Table 2 below shows that the City will have operating surpluses of R121 thousands, R791 thousands and R1.7 million in the 2020/21, 2021/22 and 2022/23 financial years, respectively. These operating surpluses are exclusive of the conditional capital grants which are reflected separately in the table.

Table 2 Consolidated Overview of the 2020/21 MTREF

CONSOLIDATED	Amended Budget - FEB'20	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Total Revenue (excluding capital transfers and contributions)	39,879,887,751	42,702,658,192	46,561,828,682	50,521,393,055
Total Expenditure	39,865,857,910	42,702,536,316	46,561,037,088	50,519,636,753
Surplus/(Deficit)	14,029,841	121,876	791,594	1,756,302
Transfers and subsidies - capital	2,719,543,860	2,448,730,732	1,767,945,408	1,737,194,861
Surplus/(Deficit) after capital transfers & contributions	2,733,573,701	2,448,852,608	1,768,737,002	1,738,951,163
Taxation	6,000,000	-	-	-
Surplus/(Deficit) after taxation	2,727,573,701	2,448,852,608	1,768,737,002	1,738,951,163
Total Capital Budget	6,807,681,008	5,756,279,361	5,194,177,603	5,097,256,227

Alignment of the financial structure to SCOA Framework has resulted in the classification changes for some of the categories (the cost of free basic services is netted off against services charges).

Total operating revenue (which excludes capital grant income) has grown by 7.1% or R2.8 billion for the 2020/21 financial year when compared to the 2019/20 budget. For the two outer years, operational revenue is increasing by 9% and 8.5% respectively, equating to a total revenue growth of R10.6 billion over the MTREF when compared to the 2019/20 financial year.

Total operating expenditure amounts to R42.7 billion in the 2020/21 financial year. When compared to the 2019/20 Adjustments Budget, operational expenditure has grown by 7.1% in the 2020/21 budget. The operating expenditure for the two outer years amounts to R46.5 billion and R50.5 billion respectively.

1.4 Operating Revenue Framework

Statistics from the 2011 National Census show that the population of City of Ekurhuleni has increased by an average of 2.47% annually. A large portion of these residents are unemployed, which results in an increase in services and expenditure but not necessarily an increase in the income base of Council.

For the City of Ekurhuleni to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that the city is faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the city and continued economic development;
- Efficient revenue management, which aims to ensure a 94% annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Energy Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the city.

The following table is a summary of the City's 2020/21 MTREF (classified by main revenue source):

Table 3 Consolidated Summary of revenue classified by main revenue source

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
<u>Revenue By Source</u>										
Property rates	3 990 437	5 200 065	5 395 431	6 140 478	6 140 478	6 140 478	6 140 478	6 377 189	6 919 250	7 611 175
Service charges - electricity revenue	12 903 718	12 893 182	13 915 463	15 553 417	15 553 417	15 553 417	15 553 417	16 819 792	17 929 599	19 112 657
Service charges - water revenue	3 395 581	3 152 220	3 873 112	4 870 108	4 870 108	4 870 126	4 870 126	5 613 559	6 522 752	7 574 461
Service charges - sanitation revenue	1 109 672	1 168 271	1 477 906	1 771 371	1 771 371	1 771 371	1 771 371	1 966 130	2 182 308	2 422 260
Service charges - refuse revenue	1 273 529	1 190 279	1 319 679	1 533 344	1 533 344	1 533 326	1 533 344	1 663 611	1 804 947	1 958 293
Rental of facilities and equipment	67 521	108 641	116 471	136 271	136 271	136 271	136 271	147 278	155 281	163 718
Interest earned - external investments	637 393	620 079	397 694	438 015	435 015	435 015	435 015	458 991	483 624	509 679
Interest earned - outstanding debtors	304 694	338 101	485 263	560 910	560 910	560 910	560 910	623 253	657 013	692 598
Dividends received	–	66	182	–	–	–	–	–	–	–
Fines, penalties and forfeits	334 288	175 878	650 079	145 107	610 707	610 707	610 707	632 943	667 122	703 146
Licences and permits	50 249	293 199	305 138	305 916	305 916	305 916	305 916	322 435	339 846	358 198
Agency services	282 219	–	–	–	–	–	–	–	–	–
Transfers and subsidies	5 047 640	3 732 208	4 010 130	4 196 211	4 805 933	4 805 933	4 805 933	4 859 288	5 203 384	5 289 412
Other revenue	345 588	3 656 429	3 157 374	3 156 368	3 156 418	3 156 418	3 156 418	3 218 188	3 696 702	4 125 795
Gains	–	1 705	1 644	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	29 742 529	32 530 324	35 105 566	38 807 515	39 879 888	39 879 888	39 879 906	42 702 658	46 561 829	50 521 393

Table 4 Percentage growth in revenue by main revenue source (this represents the revenue per source as a percentage of the total revenue)

Description	2018/19	Current Year 2019/20		2020/21 Medium Term Revenue & Expenditure Framework						Proportionate % of Total Budget		
	Audited Outcome	Adjusted Budget	%	Budget Year 2020/21	%	Budget Year +1 2021/22	%	Budget Year +2 2022/23	%	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand												
<u>Revenue By Source</u>												
Property rates	5 395 431	6 140 478	15.4%	6 377 189	14.9%	6 919 250	14.9%	7 611 175	15.1%	14.9%	14.9%	15.1%
Service charges - electricity revenue	13 915 463	15 553 417	39.0%	16 819 792	39.4%	17 929 599	38.5%	19 112 657	37.8%	39.4%	38.5%	37.8%
Service charges - water revenue	3 873 112	4 870 108	12.2%	5 613 559	13.1%	6 522 752	14.0%	7 574 461	15.0%	13.1%	14.0%	15.0%
Service charges - sanitation revenue	1 477 906	1 771 371	4.4%	1 966 130	4.6%	2 182 308	4.7%	2 422 260	4.8%	4.6%	4.7%	4.8%
Service charges - refuse revenue	1 319 679	1 533 344	3.8%	1 663 611	3.9%	1 804 947	3.9%	1 958 293	3.9%	3.9%	3.9%	3.9%
Rental of facilities and equipment	116 471	136 271	0.3%	147 278	0.3%	155 281	0.3%	163 718	0.3%	0.3%	0.3%	0.3%
Interest earned - external investments	397 694	435 015	1.1%	458 991	1.1%	483 624	1.0%	509 679	1.0%	1.1%	1.0%	1.0%
Interest earned - outstanding debtors	485 263	560 910	1.4%	623 253	1.5%	657 013	1.4%	692 598	1.4%	1.5%	1.4%	1.4%
Dividends received	182	–	0.0%	–	0.0%	–	0.0%	–	0.0%	0.0%	0.0%	0.0%
Fines, penalties and forfeits	650 079	610 707	1.5%	632 943	1.5%	667 122	1.4%	703 146	1.4%	1.5%	1.4%	1.4%
Licences and permits	305 138	305 916	0.8%	322 435	0.8%	339 846	0.7%	358 198	0.7%	0.8%	0.7%	0.7%
Transfers and subsidies	4 010 130	4 805 933	12.1%	4 859 288	11.4%	5 203 384	11.2%	5 289 412	10.5%	11.4%	11.2%	10.5%
Other revenue	3 157 374	3 156 418	7.9%	3 218 188	7.5%	3 696 702	7.9%	4 125 795	8.2%	7.5%	7.9%	8.2%
Gains	1 644	–	0.0%	–	0.0%	–	0.0%	–	0.0%	0.0%	0.0%	0.0%
Total Revenue (excluding capital transfers and contributions)	35 105 566	39 879 888	100%	42 702 658	100.0%	46 561 829	100%	50 521 393	100%	100.0%	100.0%	100.0%
Total Revenue from Rates and Services Charges	25 981 590	29 868 718	74.9%	32 440 281	76.0%	35 358 856	75.9%	38 678 846	76.6%			

Revenue generated from rates and services charges contributes 76% (in 2020/21) of the total revenue basket for the City. The percentage is slightly higher than the previous year mainly as a result of increases in tariffs that are higher than the previous year.

Details in this regard are contained in Table 25 MBRR Table A4 – Consolidated Budgeted Financial Performance (revenue and expenditure) on page 61.

Electricity is the biggest source of income and represents R16.8 billion or 39.4% of the total income budget in 2020/21. This contribution from electricity increases also to 40.3% in both outer years.

Property rates revenue amount to 14.9% or R6.3 billion. This includes income forgone.

Transfers and subsidies recognised amount to R4.8 billion or 11.4% of total income budget in the 2020/21 financial year and increases to R5.2 billion by 2021/22. The following table gives a breakdown of the various operating grants and subsidies allocated to the City over the medium-term.

Table 5 Operating Transfers and Grant Receipts

EKU Ekurhuleni Metro - Supporting Table SA18 Transfers and grant receipts									
Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
RECEIPTS:									
Operating Transfers and Grants									
National Government:	4,740,102	5,179,595	5,363,149	5,501,712	5,583,984	5,583,984	6,216,418	6,742,069	7,368,915
Local Government Equitable Share	2,381,367	2,719,861	3,145,138	3,478,292	3,478,292	3,478,292	3,830,583	4,229,656	4,634,258
RSC Levy Replacement	1,625,872	1,694,256	1,734,629	1,711,291	1,711,291	1,711,291	1,781,414	1,971,951	2,134,999
Finance Management	1,050	1,050	1,000	1,000	1,396	1,396	1,000	1,000	1,000
Energy Efficiency and Demand Management	–	–	280	915	–	–	10,000	11,000	11,000
EPWP Incentive	22,125	44,718	25,054	22,022	22,022	22,022	19,104	–	–
Urban Settlement Development Grant	669,688	599,710	254,116	177,560	165,656	165,656	215,851	226,511	268,071
Public Transport Network Grant [Schedule 5B]	40,000	120,000	202,932	110,632	205,328	205,328	358,466	301,951	319,587
Provincial Government:	292,977	356,729	821,548	347,299	846,424	846,424	366,391	379,121	379,121
Disaster and Emergency Services	150,624	158,155	167,328	177,033	177,033	177,033	187,301	192,189	192,189
Health	136,853	143,577	151,878	160,266	160,267	160,267	169,590	179,932	179,932
Housing	–	51,203	497,342	–	497,342	497,342	–	–	–
Libraries Archives and Museums	5,500	3,794	5,000	10,000	11,783	11,783	9,500	7,000	7,000
Other grant providers:	9,025	10,797	14,182	25,132	29,861	29,861	25,132	25,132	25,132
Public Sector SETA	9,025	10,797	14,182	25,132	29,861	29,861	25,132	25,132	25,132
Total Operating Transfers and Grants	5,042,103	5,547,121	6,198,879	5,874,142	6,460,269	6,460,269	6,607,941	7,146,321	7,773,168

EKU Ekurhuleni Metro - Supporting Table SA18 Transfers and grant receipts									
Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
RECEIPTS:									
Capital Transfers and Grants									
National Government:	1,792,444	2,269,238	2,147,324	2,614,920	2,557,373	2,557,373	2,238,231	1,546,945	1,485,195
Energy Efficiency and Demand-side	15,000	12,000	13,720	12,150	–	–	–	–	–
Integrated City Development Grant	38,078	48,646	45,537	54,295	54,295	54,295	53,577	53,023	56,064
Integrated National Electrification Programme	40,000	40,000	45,000	–	8,302	8,302	–	–	–
Neighbourhood Development Partnership Grant	68,700	102,574	60,000	65,000	94,092	94,092	75,000	70,086	45,000
Public Transport Infrastructure Grant	410,002	580,718	401,708	568,521	473,825	473,825	358,000	359,000	370,000
Urban Settlement Development Grant	1,220,664	1,485,300	1,581,359	1,914,954	1,926,858	1,926,858	1,751,654	1,064,836	1,014,131
Provincial Government:	27,061	9,800	8,700	8,500	8,664	8,664	10,500	11,000	2,000
Libraries; Archives and Museums	7,500	9,800	8,700	8,500	8,664	8,664	10,500	11,000	2,000
<i>Municipal Human Settlements Capacity</i>	19,561								
Total Capital Transfers and Grants	1,819,505	2,279,038	2,156,024	2,623,420	2,566,037	2,566,037	2,248,731	1,557,945	1,487,195
TOTAL RECEIPTS OF TRANSFERS & GRANTS	6,861,608	7,826,159	8,354,903	8,497,563	9,026,307	9,026,307	8,856,672	8,704,267	9,260,363

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the City.

The principles set out in the Medium-term Budget Policy and Pricing Policy Statement formed the basis of tariff settings.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges at levels that reflect an appropriate balance between the interests of poor households, other customers and ensuring the financial sustainability of the municipality. For this reason, municipalities must justify in their budget documentation all increases in excess of the 4.5% upper boundary of the South African Reserve Bank's inflation target in the budget narratives. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of Rand Water tariffs are beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's water tariffs is largely outside the control of the City. Discounting the impact of these price increases in lower consumer tariffs will erode the City's future financial position and viability.

The current challenge facing the City is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework, the City has undertaken the tariff setting process relating to service charges as follows:

1.4.1 Property Rates

The Municipal Property Rates Act (MPRA) came into effect on the 1 July 2009. In terms of section 46 of the Act, the market value of a property, if sold on the date of valuation in the open market by a willing seller to a willing buyer, is to be realised in the valuation roll.

In terms of section 8 of the Act, a municipality may in terms of the criteria set out in its rates policy levy different rates for different categories of rateable property, which may include categories determined according to the –

- a. Use of the property;
- b. Permitted use of the property; and
- c. A Combination of (a) and (b).

In terms of section 15(1) of the Act, a municipality may in terms of criteria set out in its rates policy –

- a. Exempt a specific category of owners of properties, or the owners of a specific category of properties, from payment of a rate levied on their property; or
- b. Grant to a specific category of owners of properties, or to the owners of a specific category of properties a rebate on or a reduction in the rates payable in respect of their properties.

Categories of properties and owners in respect of which rebates are granted may in accordance with section 15(2) include the following:

- (a) residential properties;
- (b) industrial properties;

-
- (c) business and commercial properties;
 - (d) agricultural properties;
 - (e) mining and quarries;
 - (f) public service purpose properties;
 - (g) public service infrastructure;
 - (h) public benefit activity property;
 - (i) vacant land;

Other Categories

- (j) state-owned properties;
- (k) municipal properties;
- (l) privately owned towns serviced by the owner;
- (m) informal settlements;
- (n) protected areas;
- (o) properties on which national monuments are proclaimed;
- (p) Places of worship

In terms of section 17 of the Act, the following rates, are deemed to be “impermissible”:

- a. the first 30% of the market value of Public Services Infrastructure;
- b. on any property referred to in paragraphs (a), (b), (e), (g) and (h) of the definition of public service infrastructure
- c. on those parts of a special nature reserve, national park or nature reserve within the meaning of the Protected Areas Act, or a national botanical garden;
- d. on mineral rights within the meaning of paragraph (b) of the definition of “property” in section 1;
- e. on the first R15 000 of the market value of a property assigned in the valuation roll or supplementary valuation roll of a municipality to a category determined by the municipality –
 - i. for residential purposes; or
 - ii. for properties used for multiple purposes, provided one or more components of the property are used for residential purposes;
- f. on a property registered in the name of and used primarily as a place of public worship by a religious community, including an official residential residence registered in the name of that community which is occupied by an office-bearer of that community who officiates at services at that place of worship.

The Municipal Property Rates amendment act (29 of 2014) become effective on 1st July 2019 and Property Rates Policy have been amended to included changes.

FUNDING REQUIREMENTS

The following factors were taken into consideration in the determination of proposed rates:

- i. Operational and capital funding requirements.
- ii. Market values of properties as published in second general valuation roll (GV 2017), including supplementary valuation rolls published after implementation date, compiled in terms of Municipal Property Rates Act.
- iii. Anticipated property developments and growth in supplementary property values.

Values of properties as per published general and supplementary valuation rolls, can be summarized as follows:

Rating Code	Rate Code Description	Number	Market Value
1	Residential	584,751	359,761,908,600
2	Industrial	8,453	46,858,148,157
3	Business And Commercial	14,682	82,407,747,699
4	Agricultural	3,066	6,484,145,810
8	Municipal Properties	3,040	4,230,241,000
9	Public Service Infrastructure	2,576	22,211,426,760
11	Informal Settlements	5,640	462,971,000
12	Mining And Quarries	96	113,061,450
13	Vacant Land	56,624	13,257,473,650
14	Protected Areas	29	108,554,000
25	Private Towns	3	2,600,000
30	Public Service Purpose Properties	704	6,514,719,000
31	Public Service Benefit Properties	2	166,538,000
		679,666	542,579,535,126

In order to realize required funding and based on differential rating ratio's in respect of individual categories of properties, it is proposed that residential base rate of 0,1131c be used, but be based on market value of property as reflected in valuation roll.

Tariffs per rating category will be as follows:

Table 6 Comparison of proposed rates to be levied for the 2020/21 financial year at 7.5% increase

Rate Code	Category	Ratio	Current Tariff (1 July 2019)	Proposed tariff (from 1 July 2020)
1	Residential	1	0.01052	0.01131
2	Industrial	2.5	0.02630	0.02827
3	Business and Commercial	2	0.02104	0.02262
4	Agriculture	0.25	0.00263	0.00283
30	State Owned Properties	2	0.02104	0.02262
8	Municipal Properties	2	0.02104	0.02262
9	Public Services Infrastructure (PSI)	0.25	0.00263	0.00283
10	Public Service Purpose Properties (PSP)	2	0.02104	0.02262
35	Public Benefit Activity Properties	0.25	0.00263	0.00283
25	Private Towns	1	0.01052	0.01131
11	Informal Settlements	1	0.01052	0.01131
12	Mining and Quarries	3	0.03156	0.03393
13	Vacant Land	4	0.04208	0.04524
14	National Monuments	1	0.01052	0.01131

EXCLUSIONS AND REBATES

With the exception of Aged / Pensioners rebate, Disability grantees and medically boarded persons, exclusions and rebates as per item 4 of tariff schedule will remain unchanged.

Sliding scale in respect of item 4.5 - Aged / Pensioners rebate, Disability grantees and medically boarded persons have been amended as follows:

Average Monthly earnings in respect of preceding 12 months.	
R0.00 to R 3,560.00 or R3,600 if over 75 yrs old (2 x State pensions when amended)	100 % rebate on property rates
R3,560.01 (or R3,600 if over 75) to R7,440.00	85% rebate on property rates
R7,440.01 to R11,160.00	70% rebate on property rates
R11,160.01 to R14,880.00	55% rebate on property rates
R14,880.01 to R18,600.00	40% rebate on property rates

1.4.2 Sale of Water and Sanitation and Impact of Tariff Increases

The water tariff increase of 15% is proposed which includes a water research levy of 0.0065%. In terms of Water Research Act. 1971, Rand Water was tasked to collect the Water research levy which is not part of the Rand Water's tariff, for payment to Water Research Commission This is entirely as a result of the expected equal increase of the bulk purchases from Rand Water.

The factors considered for the proposed tariff increase include the following:

- DWS Raw water abstraction costs – this includes the pumping of untreated water from the Sterkfontein Dam (source) to the Vaal River System and the treatment of AMD (acid mine drainage)
- TCTA raw water charge – this talks to the Augmentation Scheme – Lesotho Highlands Water Project (Phase 2)
- Chemical costs – water treatment and purification to drinking water standards as per SANS 241
- Energy Costs – pumping purified water from the Rand Water Plants into the municipal reservoirs/towers
- Labour costs, inflation and other expenses (Asset Replacement Value, Operations and Maintenance costs)
- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

Table 7 Table 1 Consolidated Operating Budget Summary of Tariffs: Water

CATEGORY	CURRENT TARIFFS 2019/20	PROPOSED TARIFFS 2020/21
	Rand per kℓ	Rand per kℓ
RESIDENTIAL (NON-INDIGENTS)		
0 – 6 kℓ per 30-day period	11.74	13.50
7 – 15 kℓ per 30-day period	19.34	22.24
16 – 30 kℓ per 30-day period	23.69	27.24
31 – 45 kℓ per 30-day period	29.47	33.90
46 kℓ or more per 30-day period	36.35	41.80
NON-RESIDENTIAL		
0 – 5 000 kℓ per 30-day period	25.37	29.17
5 001 – 25 000 kℓ per 30-day period	25.77	29.64
25 001 > kℓ per 30-day period	26.89	30.92

The residential tariff structure is designed to charge higher levels of consumption at a higher rate, steadily increasing to a rate of R41.80 per kilolitre for consumption in excess of 45kℓ per 30-day period.

The following table shows the impact of the proposed increases in water tariffs on the water charges for a single dwelling house:

Table 8 Impact of water increases for a single dwelling house

Monthly consumption kℓ	Current amount payable R	Proposed amount payable R	Difference (Increase) R	Percentage change %
5	0.00	0.00	0.00	0%
10	77.36	88.96	11.60	15%
20	292.51	336.36	43.85	15%
30	529.41	608.76	79.35	15%
40	824.11	947.76	123.65	15%
50	1,153.21	1,326.26	173.05	15%
80	2,243.71	2,580.26	336.55	15%
100	2,970.71	3,416.26	445.55	15%

The sanitation tariff increase is based on the increase in purification cost as received from ERWAT. The ERWAT increase for the 2020/21 financial year is 11% and it is proposed that the sanitation tariffs to the customers be increased by the same tariff.

The tariffs proposed for the sanitation service are as follows:

Table 9 Summary of tariffs: sanitation

CATEGORY	CURRENT TARIFFS 2019/20	PROPOSED TARIFFS 2020/20
	Rand per kℓ	Rand per kℓ
RESIDENTIAL		
0 – 6 kℓ per 30-day period	16.29	18.08
7 – 15 kℓ per 30-day period	13.03	14.46
16 – 30 kℓ per 30-day period	5.54	6.15
31 – 45 kℓ per 30-day period	5.09	5.65
46 kℓ or more per 30-day period	3.47	3.85
NON-RESIDENTIAL		
0 – 5 000 kℓ per 30-day period	10.22	11.34
5 001 – 25 000 kℓ per 30-day period	5.45	6.05
25 000 > kℓ per 30-day period	3.54	3.93

The following table shows the impact of the proposed increases in sanitation tariffs on the sanitation charges for a single dwelling house:

Table 10 Impact of sanitation increases on a single dwelling house

Monthly consumption kℓ	Current amount payable R	Proposed amount payable R	Difference (Increase) R	Percentage change %
5	0.00	0.00	0.00	
10	52.12	57.84	5.72	11%
20	144.97	160.89	15.92	11%
30	200.37	222.39	22.02	11%
40	251.27	278.89	27.62	11%
50	294.07	326.39	32.32	11%
80	398.17	441.89	43.72	11%
100	467.57	518.89	51.32	11%

1.4.3 Sale of Electricity

The **electricity tariff increases** are based on NERSA approval of Eskom application. At the moment the estimated increase is in a range of between 6.61% and 8.76%. These figures are subject to NERSA's consultation processes. Bulk purchases is estimated to increase by 6.9% in 2021.

The City has subsequently made an application to NERSA for approval of tariffs as indicated in the consultation paper. The proposed electricity tariff increases and changes are designed to generate revenue amounting to 8.14% more than the 2019/20 adjusted budget income for CoE. The additional income figure is predicted after taking into account a zero percent growth.

There is no proposed change in the Tariff structure. The following proposed tariff increases will be applicable from 1 July 2020

- Tariff A IBT 8.76% (Tariff matching Eskom exact values in block 1 & 2)
- Tariff A IBT 6.61 % (Existing rate for Tembisa customers on the IMMS system)
- Tariff B 8.1%
- Tariff C 6.61%
- Tariff D 6.61%
- Tariff E 6.61%

An amount equal to 4% of the income is to be ring-fenced and placed in a maintenance budget that will only be used to fund critical electricity maintenance and refurbishment.

An amount equal to 0.25% of the income is to be ring-fenced and placed into an energy efficiency demand side management budget that will only be used to fund critical energy efficiency and demand side management projects. The funding will be used to convert council-owned assets to become energy efficient with projects such as streetlight efficiency; building efficiency and possibly the installation of solar geysers at Council owned properties.

The following table provides a brief summary of the proposed July 2020 tariff increase:

Table 11 Summary of tariff increases: electricity

	APPROVED TARIFFS 2019/20 R	PROPOSED TARIFFS 2020/21 R	% Increase
Tariff A (Business)			
Energy charge	2.20,11	2.34,66	6.61%
Tariff A (IBT) Energy charge			
A.1 Block (1 to 600 kWh)	1.26,61	1.37,70	8.76%
A.2 Block (>600 to <=700 kWh)	2.15,21	2.34,06	8.76%
A.3 Block (>700 kWh)	6.06,56	6.59,69	8.76%
A.4 Flat rate in the case of a billing system that cannot accommodate the inclining block rate.	1.33,93	1.45,66	8.76%
Tariff B (Residential and Bulk Residential) Energy charge			
Energy charge	1.88,59	2.03,87	8.1%
Tariff B (Business, Mixed business and Residential, Commercial or Industrial) Energy charge			
Energy charge (High Demand)	2.08,61	2.22,40	6.61%
Energy charge (Low Demand)	1.65,31	1.76,24	6.61%
Tariff C Energy charge			
High Demand Season			
230/400 V	2.12,57	2.26,62	6.61%
230/400 V, direct from substation	2.08,61	2.22,40	6.61%
>230/400V & < = 11kV	2.04,66	2.18,19	6.61%
Low Demand Season			
230/400 V	1.27,14	1.35,54	6.61%
230/400 V, direct from substation	1.24,88	1.33,13	6.61%
>230/400V & < = 11kV	1.22,60	1.30,70	6.61%
Tariff D Energy charge			
High Demand Season (Peak)			
230/400 V, direct from substation	4.56,80	4.86,99	6.61%
>230/400V & < = 11kV	4.48,32	4.77,95	6.61%
>11kV	4.15,53	4.43,00	6.61%
High Demand Season (Standard)			
230/400 V, direct from substation	1.60,27	1.70,86	6.61%
>230/400V & < = 11kV	1.57,73	1.68,16	6.61%
>11kV	1.45,86	1.55,50	6.61%
High Demand Season (Off-Peak)			
230/400 V, direct from substation	0.96,65	1.03,04	6.61%
>230/400V & < = 11kV	0.94,91	1.01,18	6.61%
>11kV	0.87,91	0.93,72	6.61%

	APPROVED TARIFFS 2019/20 R	PROPOSED TARIFFS 2020/21 R	% Increase
Low Demand Season (Peak)			
230/400 V, direct from substation	1.69,83	1.81,06	6.61%
>230/400V & < = 11kV	1.66,78	1.77,80	6.61%
>11kV	1.54,42	1.64,63	6.61%
Low Demand Season (Standard)			
230/400 V, direct from substation	1.11,41	1.18,77	6.61%
>230/400V & < = 11kV	1.09,38	1.16,61	6.61%
>11kV	1.01,38	1.08,08	6.61%
Low Demand Season (Off-Peak)			
230/400 V, direct from substation	0.87,91	0.93,72	6.61%
>230/400V & < = 11kV	0.86,26	0.91,96	6.61%
>11kV	0.79,85	0.85,13	6.61%
Tariff E Energy charge			
High Demand Season (Peak)			
230/400 V	6.32,40	6.74,20	6.61%
230/400 V, direct from substation	6.21,09	6.62,14	6.61%
>230/400V & < = 11kV	6.10,01	6.50,33	6.61%
>11kV	5.64,78	6.02,11	6.61%
High Demand Season (Standard)			
230/400 V	1.80,91	1.92,87	6.61%
230/400 V, direct from substation	1.77,52	1.89,25	6.61%
>230/400V & < = 11kV	1.74,69	1.86,24	6.61%
>11kV	1.61,69	1.72,38	6.61%
High Demand Season (Off-Peak)			
230/400 V	1.06,58	1.13,62	6.61%
230/400 V, direct from substation	1.04,61	1.11,52	6.61%
>230/400V & < = 11kV	1.02,69	1.09,48	6.61%
>11kV	0.95,09	1.01,38	6.61%
Low Demand Season (Peak)			
230/400 V	1.92,28	2.04,99	6.61%
230/400 V, direct from substation	1.88,99	2.01,48	6.61%
>230/400V & < = 11kV	1.85,47	1.97,73	6.61%
>11kV	1.71,72	1.83,07	6.61%
Low Demand Season (Standard)			
230/400 V	1.26,24	1.34,58	6.61%

	APPROVED TARIFFS 2019/20 R	PROPOSED TARIFFS 2020/21 R	% Increase
230/400 V, direct from substation	1.24,09	1.32,29	6.61%
>230/400V & < = 11kV	1.21,77	1.29,82	6.61%
>11kV	1.12,75	1.20,20	6.61%
Low Demand Season (Off-Peak)			
230/400 V	0.94,75	1.01,01	6.61%
230/400 V, direct from substation	0.93,14	0.99,30	6.61%
>230/400V & < = 11kV	0.91,37	0.97,41	6.61%
>11Kv	0.84,62	0.90,21	6.61%

MITIGATION MEASURE ON TARIFF A (IBT) TO PREVENT RISK TO CITY OF EKURHULENI REVENUE

Free Basic Electricity is targeted to only low consumption customers.

Tariff A (IBT) is the City of Ekurhuleni tariff suitable for lower-end users of electricity. The tariff has inclining blocks (where energy is progressively more expensive, as more energy is used) and is heavily subsidised.

The tariff places financial risk on City of Ekurhuleni, should higher end users migrate to this pro-poor tariff. Mitigation measures are the following:

- The last block of the tariff, as in the previous financial year, is at a very high level of R6.59. This block aims to prevent higher end users from abusing this subsidized tariff. In effect, if customers use enough electricity to reach the very high block (i.e. above 700 units per calendar month), they should migrate to Tariff B;

Revenue enhancement projects will see a continued focus on tampered prepayment meters (as well as protecting them), with a view to also assisting finance in achieving proposed payment levels. Revenue is also enhanced by the continual refinement of energy tariffs, derived from the analysis of Eskom supply tariffs, as well as those of other key players in the South African Energy market. Finally, back office work will see more business processes implemented and these will lead to better efficiencies and a better service to energy customers.

The following table shows the impact of the proposed increases in electricity tariffs on the electricity charges for a single dwelling house:

Table 12 Comparison between current electricity charges and increases (Domestic)

Monthly consumption kWh	Current amount payable R	Proposed amount payable R	Difference (Increase) R	Percentage change %
100 (Tariff A)	0.00	0.00	R0.00	0.00%
250 (Tariff A)	R 189.92	R 206.55	R16.64	8.76%
500 (Tariff B)	R 955.03	R 1 039.35	R84.32	8.83%
750 (Tariff B)	R 1 426.51	R 1 549.03	R122.52	8.59%
1 000 (Tariff B)	R 1 897.98	R 2 058.70	R160.72	8.47%
2 000 (Tariff B)	R 3 783.88	R 4 097.40	R313.52	8.29%

1.4.4 Waste Removal and Impact of Tariff Increases

The proposed tariff increase for rendering of refuse removal services and disposal services is 7.5%. The proposed tariff increase yielded a total revenue increase of 8.5%. The growth rate of 1% is assumed in the 2020/21 financial year.

The following is the list of the fundamental services of the department:

- ✓ Income generating services
 - Round collection
 - Bulk container services
 - Litter picking in commercial and industrial areas
 - Operation and management of landfill sites
- ✓ Non income generating services
 - Mini refuse disposal sites/transfer stations
 - Litter picking –all areas excluding commercial and industrial areas
 - Rehabilitation of old disposal sites
 - Removal of illegal dumping

The main cost drivers for Waste Management Services are as follows:

– Increase in transport costs:

Waste management services, with the exception of landfills, are in essence a transport intensive operation and are therefore sensitive to the substantial and constant increases in the price of the following key transport inputs:

- Oils and lubricants
- Fuel costs
- General repairs and maintenance of the fleet

- Labour costs

Refuse removal is a labour intensive operation and labour costs tend to have a ripple effect on tariffs.

The following table compares current and proposed amounts payable from 1 July 2020:

Table 13 Comparison between current waste removal fees and increases

Residential Stand Size (for 240l Bins Removal)	CURRENT TARIFFS FOR 2019/20	PROPOSED TARIFFS FOR 2020/21	INCREASE	%
Property Value <u>BELOW</u> R300 000				
0 - 300 m ² (Properties with value of R300 000 and less)	R 148.24	R 159.36	R 11.12	7.5%
Property Value <u>ABOVE</u> R300 000				
Other Properties with Property Value more than R300 000	R 174.41	R 187.49	R 13.08	7.5%

1.4.5 Other Tariff Increases

The Finance Department has embarked on a process to compile a consolidated report of all sundry tariffs of all the departments. The tariffs were determined by departments and consolidated by the Finance Department. Sundry tariff increases were guided by the CPI rate in most cases. In cases where the increase is not in line with the CPI rate as provided by National Treasury in MFMA Circular 98, comments/motivations from departments were provided.

Table 14 Summary of the Sundry Tariff Increases

NAME OF TARIFF AND SCHEDULE NO.	CURRENT TARIFFS INCREASES 2019/20	PROPOSED TARIFFS INCREASES 2020/21	COMMENTS
Financial Services (Schedule 6)	5.2%	4.9%	In line with CPI
Building Plans & Related Services (Schedule 7)	Ranges between 2.04% - 5.56 %	Ranges between 3.09% - 5 %	The determination of the tariffs was set in line with the tariff structure of other metropolitan municipalities and also in line with the budget instructions imposed for the determination of revenue, taking into consideration National Treasury guidelines and revenue targets set for Building Control revenue.
Roads Related Services (Schedule 8)	5.2%	4.9%	In line with CPI

NAME OF TARIFF AND SCHEDULE NO.	CURRENT TARIFFS INCREASES 2019/20	PROPOSED TARIFFS INCREASES 2020/21	COMMENTS
EMPD Services (Schedule 9)	5.2%	4.9%	The determination of the tariffs increase was set in line with the Consumer Price Index (CPI) and to uphold market related values. To consider the affordability of the service rendered to the community by looking to the fees charged, and thus determine what it is actually charging the EMPD to render the service – thus not trying to make a profit from the community.
Transport Planning (Schedule 10)	5.2%	4.9%	In line with CPI
Disaster Management Services (Schedule 11)	5.2%	4.9%	The determination of the tariffs increase was set in line with the Producer Price Index (PPI) and to uphold values. The tariffs increased are motivated by the tariffs in the neighbouring Metros.
Emergency Services (Schedule 12)	5.2%	4.9%	The determination of the tariffs increase was set in line with the Producer Price Index (PPI) and to uphold values. The tariffs increased are motivated by the tariffs in the neighbouring Metros.
Libraries & Information Services (schedule 13)	No increase	4.9%	In line with CPI
Library Auditorium (schedule 14)	No increase	4.9%	In line with CPI
Arts, Culture & Heritage (schedule 15)	No increase	4.9%	In line with CPI

NAME OF TARIFF AND SCHEDULE NO.	CURRENT TARIFFS INCREASES 2019/20	PROPOSED TARIFFS INCREASES 2020/21	COMMENTS
Sports & Recreation (schedule 16)	No increase	4.9% increase for Sport and Recreation facilities and 12.9% Floodlights and Non Sporting Events.	In line with CPI The higher tariff is due to the non recreational nature of the events
Removal of Street trees (schedule 17)	5.2%	4.9%	Tariffs for the removal of street trees in the City of Ekurhuleni are amended annually. The tariffs were created for the unauthorised removal of Council owned trees to assist the council in protecting the valuable green assets it has and its green heritage.
Cemeteries & Crematoriums (schedule 18)	5.2% increase for CoE Residents and 6.5% for Non-Residents	4.9% increase for CoE Residents and 6.9% for Non-Residents.	The cemetery tariff increase is based on CPI which is recommended that a minimum nominal percentage increase be applied to cover inflationary increases in costs and reduce overall subsidization of interment. Increase in tariffs is for a basic adjustment to improve councils cost recovery and to recoup expenses from all burial subsidies.
Advertising Signs (schedule 19)	10%	4.9%	The determination of the tariffs was set in line with the tariff structure of other metropolitan municipalities and also in line with the budget instructions imposed for the determination of revenue, taking into consideration National

NAME OF TARIFF AND SCHEDULE NO.	CURRENT TARIFFS INCREASES 2019/20	PROPOSED TARIFFS INCREASES 2020/21	COMMENTS
			Treasury guidelines and revenue targets set for Outdoor Advertising revenue.
City Planning (schedule 20)	5.2%	4.9%	The tariffs increase was set in line with the tariff CPIX, and fees were compared with the fees from Tshwane and Joburg Metros and in some cases the new fees were amended to compare better with that of other Metros.
Economic Development (schedule 21)	5.2%	4.9%	
Environmental Health Services (schedule 22)	5.2%	4.9%	
Municipal Bus Services (schedule 23)	Ranges Between 4% - 25%	Ranges Between 3.85% - 4.35%	In order to ensure that the EMM bus fares are market-related compared to the fares charged by alternative modes of transport, cognizance needs to be taken of the tariffs being charged by the mini-bus taxis and other bus operators such as City to City, who currently operate the routes previously operated by Putco, in the same area. To cover various other factors such as salaries, maintenance and repair costs and other general expenses have necessitated the required increase in the bus tariffs.
Hire of or use of Parks Facilities (schedule 24)	5.2%	4.9%	The increase is necessary to keep abreast with inflation and the rising costs of maintenance .The cost of hiring facilities also allows income generation for the

NAME OF TARIFF AND SCHEDULE NO.	CURRENT TARIFFS INCREASES 2019/20	PROPOSED TARIFFS INCREASES 2020/21	COMMENTS
			Council which in turn ensures that a cost effective service can be rendered to the community
Real Estate (schedule 25)	Ranges Between 5% - 6%	4.9%	The determination of the tariffs was set in line with the tariff structure of other metropolitan municipalities and also in line with the budget instructions imposed for the determination of revenue, taking into consideration National Treasury guidelines and revenue targets set.

1.4.6 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Table 15 MBRR Table SA14 – household bills

EKU Ekurhuleni Metro - Supporting Table SA14 Household bills											
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21 % incr.	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		437.14	489.59	523.26	562.50	562.50	562.50	7.5%	604.68	650.03	698.79
Electricity: Basic levy		34.00	34.64	37.01	41.85	41.85	41.85	6.6%	44.62	47.34	50.22
Electricity: Consumption		1,532.20	1,561.10	1,667.90	1,884.80	1,884.80	1,884.80	8.2%	2,038.70	2,303.73	2,603.21
Water: Consumption		370.56	407.61	460.38	529.41	529.41	529.41	15.0%	608.76	700.07	805.08
Sanitation		151.92	165.63	180.51	200.37	200.37	200.37	11.0%	222.41	246.87	274.02
Refuse removal		149.59	160.81	172.87	174.41	174.41	174.41	7.5%	187.47	201.53	216.64
Other		—	—	—	—	—	—	—	—	—	—
sub-total		2,675.41	2,819.38	3,041.93	3,393.34	3,393.34	3,393.34	9.2%	3,706.64	4,149.57	4,647.96
VAT on Services		313.35	326.17	377.80	424.62	424.62	424.62		465.29	539.93	592.37
Total large household bill:		2,988.76	3,145.55	3,419.73	3,817.96	3,817.96	3,817.96	9.3%	4,171.93	4,689.50	5,240.33
% increase/-decrease			5.2%	8.7%	11.6%	—	—		9.3%	12.4%	11.7%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		292.49	327.58	350.18	376.44	376.44	376.44	7.5%	404.67	435.02	467.64
Electricity: Basic levy		—	—	—	—	—	—	—	—	—	—
Electricity: Consumption		415.84	424.98	454.04	513.06	513.06	513.06	8.8%	558.00	592.03	628.15
Water: Basic levy		—	—	—	—	—	—	—	—	—	—
Water: Consumption		287.66	316.41	357.38	410.96	410.96	410.96	15.0%	472.56	543.44	624.95
Sanitation		130.92	142.73	155.56	172.67	172.67	172.67	11.0%	191.64	212.72	236.11
Refuse removal		149.59	160.81	172.87	174.41	174.41	174.41	7.5%	187.47	201.53	216.64
sub-total		1,276.50	1,372.51	1,490.03	1,647.54	1,647.54	1,647.54	10.1%	1,814.34	1,984.74	2,173.49
VAT on Services		137.76	146.29	170.97	190.66	190.66	190.66		211.45	232.45	255.87
Total small household bill:		1,414.26	1,518.80	1,661.00	1,838.20	1,838.20	1,838.20	10.2%	2,025.79	2,217.19	2,429.36
% increase/-decrease			7.4%	9.4%	10.7%	—	—		10.2%	9.4%	9.6%
				0.27	0.14	(1.00)	-				
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		—	—	—	—	—	—	—	—	—	—
Electricity: Basic levy		—	—	—	—	—	—	—	—	—	—
Electricity: Consumption		259.90	265.61	283.77	320.66	320.66	320.66	8.8%	348.74	370.01	392.58
Water: Basic levy		—	—	—	—	—	—	—	—	—	—
Water: Consumption		164.14	180.54	203.92	234.49	234.49	234.49	15.0%	269.64	310.08	356.59
Sanitation		80.28	87.52	95.39	105.88	105.88	105.88	11.0%	117.51	130.43	144.78
sub-total		504.32	533.67	583.08	661.03	661.03	661.03	11.3%	735.89	810.52	893.95
VAT on Services		70.60	74.71	87.46	99.15	99.15	99.15		127.49	121.57	134.09
Total small household bill:		574.92	608.38	670.54	760.18	760.18	760.18	13.6%	863.38	932.09	1,028.04
% increase/-decrease			5.8%	10.2%	13.4%	—	—		13.6%	8.0%	10.3%

Cognisance must be taken of the following factors affecting the average monthly household bills as indicated in the above schedule:

- In the above example, the overall impact of tariff increases on the household bills in 2020/21 ranges between to 9.3% and 13.6%. The estimated increases in the outer years are reflected in the above table as well.
- The calculation with regard to electricity is based on the assumption that Tariff B would be applicable for middle income households. These households are not entitled to free basic electricity (FBE). Tariff A (IBT) is applicable for the indigent households in the above example.
- All consumers with property value below R750, 000 will receive 6kl of water free, whilst indigents receive 9kl of water free.

1.5 Operating Expenditure Framework

The City's expenditure framework for the 2020/21 budget and MTREF is informed by the following:

-
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing, uncommitted, cash-backed reserves to fund any deficit.
 - Funding of the budget over the medium-term, as informed by Sections 18 and 19 of the MFMA.
 - The capital programme is aligned to the asset renewal needs and backlog eradication goals.
 - The prioritisation of capital needs was based on the Capital Investment Framework.
 - Strict adherence to the principle of no project plans no budget. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2020/21 budget and MTREF (classified per main type of operating expenditure):

Table 16 Summary of the consolidated operating expenditure by standard classification item (Table A4)

EKU City of Ekurhuleni - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
Expenditure By Type										
Employee related costs	6 172 418	7 417 447	8 449 847	9 628 450	9 605 604	9 605 604	9 605 604	10 397 285	11 283 869	12 220 700
Remuneration of councillors	119 944	132 700	137 936	139 695	139 695	139 695	139 695	150 871	162 940	175 976
Debt impairment	2 609 579	1 471 479	4 147 512	1 579 646	2 369 166	2 369 166	2 369 166	2 565 398	3 271 324	3 727 236
Depreciation & asset impairment	2 115 285	2 478 458	2 586 025	2 202 789	2 203 919	2 203 919	2 203 919	2 313 951	2 432 025	2 555 861
Finance charges	901 847	983 370	944 493	1 096 076	1 096 076	1 096 076	1 096 076	1 405 055	1 497 493	1 586 880
Bulk purchases	12 402 511	12 245 412	13 359 107	15 703 690	15 703 690	15 703 690	15 703 690	16 850 651	18 361 910	20 029 732
Other materials	2 005 713	2 096 508	1 910 858	2 158 867	1 986 294	1 986 294	1 986 294	2 159 652	2 298 620	2 458 154
Contracted services	1 061 354	3 922 824	4 276 161	4 347 517	4 764 061	4 764 061	4 764 061	4 875 118	5 128 808	5 476 474
Transfers and subsidies	1 206 630	972 951	1 038 317	675 033	652 629	652 629	652 629	700 243	735 169	801 468
Other expenditure	1 763 820	1 151 428	1 155 810	1 258 961	1 329 417	1 329 417	1 329 417	1 268 179	1 371 872	1 469 234
Losses	(7 951)	2 982	14 417	15 307	15 307	15 307	15 307	16 134	17 005	17 923
Total Expenditure	30 351 150	32 875 559	38 020 482	38 806 031	39 865 858	39 865 858	39 865 858	42 702 536	46 561 037	50 519 637
Surplus/(Deficit)	(608 620)	(345 236)	(2 914 916)	1 484	14 030	14 030	14 048	122	792	1 756
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1 788 457	2 001 283	2 135 374	2 783 460	2 719 544	2 719 544	2 719 544	2 448 731	1 767 945	1 737 195
Transfers and subsidies - capital (in-kind - all)	–	1 627	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	1 179 836	1 657 674	(779 542)	2 784 944	2 733 574	2 733 574	2 733 592	2 448 853	1 768 737	1 738 951
Taxation	–	41 438	13 736	–	6 000	6 000	6 000	–	–	–
Surplus/(Deficit) after taxation	1 179 836	1 616 236	(793 278)	2 784 944	2 727 574	2 727 574	2 727 592	2 448 853	1 768 737	1 738 951
Attributable to minorities	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	1 179 836	1 616 236	(793 278)	2 784 944	2 727 574	2 727 574	2 727 592	2 448 853	1 768 737	1 738 951
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	1 179 836	1 616 236	(793 278)	2 784 944	2 727 574	2 727 574	2 727 592	2 448 853	1 768 737	1 738 951

The City has a Job-creating project in place to eradicate lack of employment while providing safe and security of the resident as follows:

- 266 learners who completed their learnership programme in June 2019 were permanently employed as Metro Police Officers in 2019/20 financial year.
- 500 trainee constables were enrolled on the learnership programme as from the 1st July 2019.

A detailed analysis is supplied with the discussion regarding employee related costs as set out in MBRR Tables SA22 - 24 in this document.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the City's budget. The salary and benefits increase of 7% has been provided in the 2020/21 financial year.

The **provision of debt impairment** was determined based on an annual collection rate of 94% and the principles as set out in the Provision for Doubtful Debt and Debt Write-off Policy. For the 2020/21 financial year this amount equates to R2.5 billion and escalates to R3.2 billion by 2021/22

Provision for depreciation and asset impairment has been informed by the municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the asset consumption rate. Budget appropriations in this regard total approximately R2.3 billion for the 2020/21 financial year.

Interest on External Loans and Borrowings (excludes the annual redemption) reflects an increase from R1 billion in 2019/20 to R1.4 billion in the 2020/21. This is due to Council decision to borrow R2.5 billion in 2020/21 to fund capital budget. The interest on external loan is calculated based on the estimated rate of 10.5%.

Bulk purchases are directly informed by the purchase of electricity from Eskom and water from Rand Water. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Repairs and Maintenance comprise of, amongst others, the purchase of materials for maintenance and the appointment of external contractors to perform maintenance works. In line with the City's repairs and maintenance plan this type of expenditure has been prioritised to ensure sustainability of the City's infrastructure. The budget allocation for 2020/21 against this group of expenditure is R3.1 billion which represents 7.3% of the total operating expenditure.

1.5.1 Repairs and maintenance

Aligned to the priority given to preserving and maintaining the City's current infrastructure, the 2020/21 budget and MTREF provide for growth in the area of asset maintenance, as informed by the asset renewal and repairs and maintenance requirements of the City. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. The following table is extracted from MBRR Table SA1 to reflect the amount provided for repairs and maintenance in context with the amounts provided for PPE, depreciation and the renewal of assets.

Table 17 Operational repairs and maintenance (SA1)

EKU Ekurhuleni Metro - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'											
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
Repairs and Maintenance by Expenditure Item	8										
Employee related costs											
Other materials		2 106 148	1 296 827	1 470 420	1 647 955	1 489 403	1 489 403	1 489 403	1 661 905	1 799 064	1 945 530
Contracted Services		–	821 743	985 001	1 377 594	1 306 730	1 306 730	1 306 730	1 470 119	1 549 698	1 633 490
Other Expenditure											
Total Repairs and Maintenance Expenditure	9	2 106 148	2 118 570	2 455 421	3 025 549	2 796 133	2 796 133	2 796 133	3 132 023	3 348 761	3 579 020

The table below provides a breakdown of repairs and maintenance in relation to asset class as summarised from MBRR SA34c:

Table 18 Consolidated repairs and maintenance by asset class (SA34c)

EKU Ekurhuleni Metro - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		1 739 371	1 747 514	2 124 444	2 183 788	2 135 275	2 135 275	2 348 129	2 520 565	2 704 005
Roads Infrastructure		587 575	590 014	735 711	692 412	686 127	686 127	699 845	737 637	777 469
Roads		587 575	572 952	711 938	671 461	660 476	660 476	678 886	715 546	754 185
Road Structures										
Road Furniture		–	17 062	23 773	20 951	25 651	25 651	20 959	22 091	23 284
Capital Spares										
Storm water Infrastructure		45 404	46 733	50 270	41 503	40 503	40 503	41 518	43 760	46 123
Drainage Collection		45 404	46 733	50 270	41 503	40 503	40 503	41 518	43 760	46 123
Storm water Conveyance		–	–							
Attenuation										
Electrical Infrastructure		571 233	572 281	858 158	892 503	1 035 767	1 035 767	993 406	1 056 668	1 124 113
Power Plants										
HV Substations		27 655	27 091	32 852	50 135	50 135	50 135	83 839	88 474	93 366
HV Switching Station										
HV Transmission Conductors			565	6 573	6 312	6 312	6 312	7 361	8 659	10 218
MV Substations		497 088	18 685	20 217	23 686	36 016	36 016	26 034	27 440	28 922
MV Switching Stations										
MV Networks			479 186	723 576	657 958	772 734	772 734	711 584	758 619	808 764
LV Networks		46 491	46 754	74 940	154 412	161 412	161 412	164 588	173 476	182 844
Capital Spares		–				9 158	9 158			
Water Supply Infrastructure		219 379	221 544	197 502	272 065	171 342	171 342	301 975	335 784	374 044
Bulk Mains		5 566	5 566	3 234	8 100	3 098	3 098	8 538	8 999	9 485
Distribution		213 813	215 979	194 268	263 964	168 244	168 244	293 437	326 785	364 559
Sanitation Infrastructure		266 193	267 353	227 812	223 234	156 707	156 707	245 961	277 760	309 577
Pump Station			114 057	88 238	78 461	22 829	22 829	82 698	87 164	91 871
Reticulation		266 193	57 779	42 790	51 418	40 523	40 523	54 195	57 121	60 206
Waste Water Treatment Works			95 517	96 783	93 355	93 355	93 355	109 068	133 475	157 500
Solid Waste Infrastructure		49 588	49 588	54 992	62 071	44 829	44 829	65 423	68 956	72 679
Landfill Sites		49 588	49 588	54 992	62 071	44 829	44 829	65 423	68 956	72 679
Community Assets		125	125	745	998	998	998	1 010	1 064	1 122
Community Facilities		125	125	745	998	998	998	1 010	1 064	1 122
Taxi Ranks/Bus Terminals		125	125	745	998	998	998	1 010	1 064	1 122
		1	1	1	1	1	1	1	1	1
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		42 268	42 276	42 821	56 967	40 201	40 201	58 261	61 407	64 723
Revenue Generating		42 268	–	–	–	–	–	–	–	–
Improved Property		42 268								
Unimproved Property										
Non-revenue Generating		–	42 276	42 821	56 967	40 201	40 201	58 261	61 407	64 723
Improved Property		–	42 276	42 821	56 967	40 201	40 201	58 261	61 407	64 723
Unimproved Property										
Other assets		145 284	145 646	70 426	326 012	200 355	200 355	206 419	219 056	232 770
Operational Buildings		145 284	145 646	70 426	326 012	200 355	200 355	206 419	219 056	232 770
Municipal Offices		145 284	145 646	70 426	326 012	200 355	200 355	206 419	219 056	232 770
Housing		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets										
Intangible Assets		–	–	–	–	–	–	–	–	–
Servitudes										
Licences and Rights		–	–	–	–	–	–	–	–	–
Computer Equipment		30 422	4	0	4	4	4	–	–	–
Computer Equipment		30 422	4	0	4	4	4			
Furniture and Office Equipment		–	30 454	29 698	263 058	232 304	232 304	333 354	351 358	370 319
Furniture and Office Equipment		–	30 454	29 698	263 058	232 304	232 304	333 354	351 358	370 319
Machinery and Equipment		4 326	4 338	2 140	4 744	4 138	4 138	2 494	2 633	2 756
Machinery and Equipment		4 326	4 338	2 140	4 744	4 138	4 138	2 494	2 633	2 756
Transport Assets		144 351	148 214	185 146	189 978	182 858	182 858	182 356	192 677	203 324
Transport Assets		144 351	148 214	185 146	189 978	182 858	182 858	182 356	192 677	203 324
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Repairs and Maintenance Expenditure	1	2 106 148	2 118 570	2 455 421	3 025 549	2 796 133	2 796 133	3 132 023	3 348 761	3 579 020

The amount budgeted for repairs and maintenance in the 2020/21 financial year represents 5.2% of the value of Property, Plant and Equipment (see table above). The challenge is that as the allocation for repairs and maintenance increases, capital expenditure also increases, thus making it difficult to meet the National Treasury norm of 8% of the value of Property, Plant and Equipment.

1.5.2 Free Basic Services: Basic Social Services Package

Council renders free basic services (FBS) to residents, and services grants based on certain conditions. FBS imply the service is rendered for free to residents.

The cost of FBS is regarded as “Income Forgone” and the cost is deducted from the income of the relevant service. In other words, it would have been income but Council opted not to charge residents for the service rendered.

Various grants or rebates are allocated to residents based on their specific socio-economic circumstances. Such grants and rebates are only supplied if the terms and conditions are adhered to. As these grants or rebates are not applicable to all residents, it is not treated like FBS (and subsequently deducted from the income budget), but is recorded in the budget as a grant expenditure item in the expenditure of the budget.

The following table reflects the costs of the FBS and grants and rebates:

Table 19 Cost of Free Basic Services and Indigents

Description	Actuals 2016/17	Actuals 2017/18	Actuals 2018/19	Adjusted Budget 2019/20	Proposed Budget 2020/21	Proposed Budget 2021/22	Proposed Budget 2022/23
Residential Prop: Developed (COST)	637,480,540	873,714,392	926,299,709	969,872,238	1,099,272,507	1,192,710,670	1,311,981,738
Income Forgone: Sanitation 6Kl	349,971,213	396,593,179	319,660,405	345,842,007	383,884,628	426,111,937	472,984,250
Income Forgone: Water 6Kl	482,636,597	543,822,184	275,108,622	494,093,016	568,206,968	653,438,013	751,453,715
TOTAL FREE BASIC SERVICE	1,470,088,350	1,814,129,755	1,521,068,736	1,809,807,261	2,051,364,103	2,272,260,620	2,536,419,703
Grants: Indigent Rates	44,453,870	58,882,566	108,923,573	63,260,673	126,166,651	136,890,817	150,579,900
Grants: Pensioner Rebate	26,163,706	56,577,138	69,909,319	72,678,268	99,291,724	107,731,520	118,504,672
Grants: Free Basic Electricity	221,693,686	245,304,035	256,774,246	299,387,269	319,146,829	340,242,434	362,732,459
Eskom Supplied Area	92,211,722	73,874,352	115,010,287	170,990,912	184,818,873	197,035,401	210,059,441
Tankering of Water	17,180,000	23,166,001	26,132,488	25,443,506	26,766,568	27,997,830	29,285,730
Grants: Refuse Removal	129,592,307	137,378,422	171,615,236	183,481,756	199,077,705	215,999,310	234,359,251
Refuse Removal: Informal Settlements	8,097,310	14,295,009	19,311,492	51,700,000	56,094,500	60,862,533	66,035,848
Grants: Sanitation 3Kl	28,305,252	35,757,144	64,165,267	52,005,684	57,726,309	64,076,203	71,124,585
Grants: Water 3Kl	38,895,341	50,903,833	44,670,731	77,242,741	88,829,152	102,153,525	117,476,554
chemical toilets funded by own revenue	-	557,848,424	921,465,370	450,000,000	458,300,000	483,048,200	509,132,803
Excess Consumption(Water residential-cost)	290,768,153	502,392,802	532,153,662	615,579,192	695,604,487	733,167,130	772,758,155
TOTAL GRANT INDIGENTS	897,361,347	1,756,379,726	2,330,131,671	2,061,770,001	2,311,822,798	2,469,204,903	2,642,049,398
DISCRETIONARY GRANTS: SOCIAL SUPPORT	96,170,269	95,335,466	33,275,924	20,000,000	15,000,000	15,000,000	15,000,000
INDIGENT BURIALS	2,455,775	4,261,284	3,676,995	4,011,217	2,534,823	2,671,703	2,815,975
SUBSIDY: SPCA	3,022,750	3,368,675	2,896,943	3,041,790	3,041,790	3,041,790	3,041,790
GRANTS: EDUCATION (EXTERNAL)	77,581,989	115,654,046	89,205,318	100,000,000	100,000,000	100,000,000	100,000,000
GRANTS: INDIGENT MANAGEMENT	4,900,000	5,471,429	4,982,716	1,030,988	4,121,484	4,121,484	4,121,484
TOTAL OTHER GRANTS	184,130,783	224,090,900	134,037,896	128,083,995	124,698,097	124,834,977	124,979,249
GRAND TOTAL	2,551,580,480	3,794,600,381	3,985,238,303	3,999,661,257	4,487,884,998	4,866,300,500	5,303,448,350

The total cost of FBS and grants and subsidies as budgeted in 2020/21 amounts to R4.8 billion.

Cognisance must be taken that in addition to the above recognised costs, there are some other grants not recorded as expenditure line items, such as:

- Electricity supply to all Tariff A users is heavily subsidised and sold below cost to residents. The cost to subsidise the tariff is not included in the above table.
- The provision of ablution facilities to informal settlements are funded from the City's own revenue.
- The Council's Indigent Policy prescribes various concessions to registered indigents on sundry services, such as cemetery fees, use of halls and community centres, ambulance and emergency fees, etc.

Further detail relating to FBS, the cost of FBS, revenue lost owing to FBS and basic service delivery measurement is contained in Table 31 MBBR A10 (Basic Service Delivery Measurement) on page 80.

1.6 Capital expenditure

The Capital Investment Framework (CIF) is a legislative requirement of the Municipal Systems Act, as per Section 4(e) of the Municipal Planning and Performance Management Regulations, 2001; and fulfills the function of a Capital Expenditure Framework as required in terms of Section 21(n) of the Spatial Planning and Land Use Management Act, 2013. The CIF is a component of the council approved Built Environment Performance Plan (BEPP) and incorporates elements from the Growth and Development Strategy (GDS), Integrated Development Plan (IDP), and the City Spatial Development Framework (CSDF). The function of the CIF is to spatially and strategically influence, guide and prioritize the allocation of the municipal capital budget in a coordinated manner across all sectors.

The objectives of the CIF are implemented through institutionalization of the Capital Prioritisation Model (CPM) Capital Prioritisation Model is a tool which provides a way to sort a diverse set of items / projects into an order of importance. It also identifies their relative importance by deriving a numerical value for the priority of each item / project. The model provides a means for ranking projects (or project requests) based on criteria that are the most important to focus on first in terms of meeting the city's overarching developmental objectives and strategies. This also assists in promoting coordinated and aligned departmental planning and budgeting. Project prioritisation can therefore be described as a process for assessing a project against a number of variables such as, economic, social, environmental, legislative and financial variables, in order to determine a capital project's alignment with or contribution to such variables. It provides for a systematic and objective assessment of an ongoing or completed project. The CPM Manual identified a three-tier approach to project prioritisation for the budget evaluation process and this includes capital budget evaluation.

The budget evaluation process is informed by the strategic priorities emanating from the IDP process, Mayoral Lekgotla and manifesto as documented by the Strategy & Corporate Planning Department.

The process was also informed by the Ekurhuleni Growth and Development Strategy 2055 imperatives as follows:

- Re-industrialize in order to achieve job creating economic growth;
- Re-urbanise in order to achieve sustainable urban integration;
- Re-generate in order to achieve environmental well-being;
- Re-mobilise in order to achieve social empowerment;
- Re-govern in order to achieve effective cooperative governance

The Capital Budget will be funded as follows:

- ▶ **USDG grant** to be based on Housing Department's integrated planning and funding strategy and in compliance with the USDG framework;
- ▶ **ISUPG** to be introduced in 2021/22 from a portion of the USDG
- ▶ **Other grant** funding to be used to fund social projects that will not necessarily generate revenue;
- ▶ **External Loans** to be used to fund economic infrastructure that will stimulate economic growth and job creation;
- ▶ **Cash** generated from revenue will be used to fund movable assets;

Projects previously approved in the 2019/20 to 2021/22 MTREF but not yet planned nor commenced with, were subjected to departmental project prioritisation taking changed priorities and service delivery pressures into account.

Impact of proposed projects on the operational budgets of future years was evaluated. It is not sustainable to construct facilities where there are not sufficient operating funds available to operationalise the facilities.

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 20 2020/21 Medium-term Capital Budget per vote–

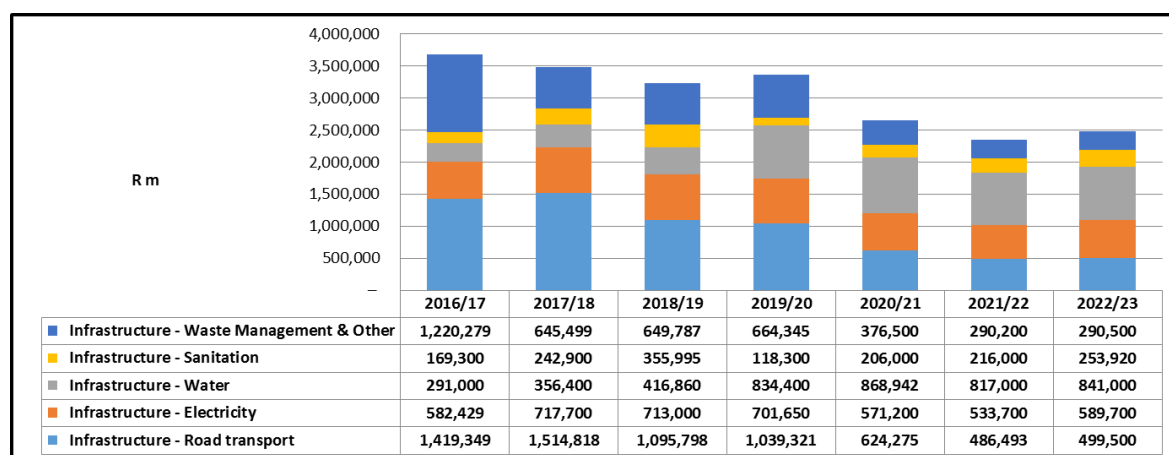
Vote Description	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework					
R thousand	Adjusted Budget	%	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	%	Budget Year 2021/22	%	Budget Year 2022/23	%
Capital Expenditure - Standard										
Chief Operating Officer	91 500 000	1,34%	86 925 000	86 925 000	170 440 000	2,93%	139 640 000	2,67%	112 000 000	2,19%
City Manager	50 000	0,00%	47 500	47 500	-	0,00%	-	0,00%	-	0,00%
City Planning	600 000	0,01%	570 000	570 000	600 000	0,01%	600 000	0,01%	-	0,00%
Communication and Brand Management	50 000	0,00%	47 500	47 500	5 050 000	0,09%	10 050 000	0,19%	15 000 000	0,29%
Corporate Legal Services	133 205	0,00%	126 545	126 545	110 000	0,00%	-	0,00%	-	0,00%
Council General	568 550 919	8,35%	540 123 373	540 123 373	213 647 572	3,67%	219 628 302	4,19%	170 156 473	3,33%
Services	89 610 000	1,32%	85 129 500	85 129 500	141 200 000	2,43%	112 500 000	2,15%	78 850 000	1,54%
Economic Development	109 500 000	1,61%	104 025 000	104 025 000	191 500 000	3,29%	176 500 000	3,37%	64 400 000	1,26%
Ekurhuleni Metro Police Department	113 300 000	1,66%	107 635 000	107 635 000	126 500 000	2,18%	126 500 000	2,42%	131 500 000	2,57%
Energy	733 202 337	10,77%	696 542 220	696 542 220	571 200 000	9,82%	533 700 000	10,19%	589 700 000	11,53%
Environmental Resources & Waste Management	361 580 792	5,31%	343 501 752	343 501 752	376 500 000	6,47%	290 200 000	5,54%	290 500 000	5,68%
Executive Office	322 494	0,00%	306 369	306 369	1 000 000	0,02%	1 000 000	0,02%	-	0,00%
Finance	270 000	0,00%	256 500	256 500	340 000	0,01%	300 000	0,01%	-	0,00%
Health and Social Development	3 641 000	0,05%	3 458 950	3 458 950	6 850 000	0,12%	11 550 000	0,22%	5 850 000	0,11%
Human Resources Management	150 000	0,00%	142 500	142 500	150 000	0,00%	150 000	0,00%	150 000	0,00%
Human Settlements	1 378 054 444	20,24%	1 309 151 722	1 309 151 722	817 438 968	14,06%	792 232 000	15,13%	876 696 595	17,14%
Information and Communication Technology	952 244 768	13,99%	904 632 530	904 632 530	669 819 768	11,52%	450 550 000	8,60%	370 350 000	7,24%
Internal Audit	30 000	0,00%	28 500	28 500	34 000	0,00%	36 000	0,00%	-	0,00%
Legislature	-	0,00%	-	-	-	0,00%	-	0,00%	-	0,00%
Real Estate	139 043 785	2,04%	132 091 596	132 091 596	197 747 030	3,40%	266 020 000	5,08%	222 030 000	4,34%
Risk Management	9 500	0,00%	9 025	9 025	10 000	0,00%	10 000	0,00%	-	0,00%
Roads and Stormwater	565 423 600	8,31%	537 152 420	537 152 420	624 275 000	10,74%	486 492 680	9,29%	499 500 000	9,76%
Sport Recreation Arts and Culture	93 693 989	1,38%	89 009 290	89 009 290	120 170 000	2,07%	107 000 000	2,04%	99 600 000	1,95%
Strategy & Corporate Planning	120 000	0,00%	114 000	114 000	10 000	0,00%	10 000	0,00%	10 000	0,00%
Transport Planning & Provision	599 861 423	8,81%	569 868 352	569 868 352	498 212 600	8,57%	473 584 612	9,04%	489 084 612	9,56%
Water and Sanitation	839 995 947	12,34%	797 996 150	797 996 150	868 941 764	14,94%	817 000 000	15,60%	841 000 000	16,44%
Brakpan Bus Company (BBC)	15 871 913	0,23%	15 078 317	15 078 317	5 482 609	0,09%	4 486 957	0,09%	4 486 957	0,09%
Ekurhuleni Housing Company (EHC)	5 235 371	0,08%	4 973 602	4 973 602	1 450 050	0,02%	1 537 052	0,03%	1 621 590	0,03%
ERWAT	145 635 521	2,14%	138 353 745	138 353 745	206 000 000	3,54%	216 000 000	4,12%	253 920 000	4,96%
Total Capital Budget	6 807 681 008	100,00%	6 467 296 958	6 467 296 958	5 814 679 361	100,00%	5 237 277 603	100,00%	5 116 406 227	100,00%

For 2020/21 an amount of R2.647 billion has been appropriated for the development of infrastructure which represents 45.52% of the total Capital Budget. In the outer years, this amount totals R2.343 billion, 44.74% and R2.475 billion, 48.37% respectively for each of the financial years. Infrastructure development relates to roads and stormwater, electricity, water and wastewater management, and waste management. According to National Treasury, Housing has now been classified as Investment Properties and Transport as Transport Assets and not Infrastructure.

Further detail relating to asset classes and proposed capital expenditure is contained in Table 27 MBRR A9 (Asset Management) of Annexure B. In addition to the MBRR Table A9, MBRR Tables SA34a,b,c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class.

The following graph provides a breakdown of the Capital Budget to be spent on infrastructure-related projects over the MTREF.

Figure 1 Capital Infrastructure Programme



1.7 Annual Budget Tables – Consolidated

The following pages in this section presents the 10 main budget tables as required in terms of Section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2020/21 budget and MTREF to be tabled to Council. Each table is accompanied by explanatory notes.

Table 21 MBRR Table A1 - Consolidated Budget Summary

EKU Ekurhuleni Metro - Table A1 Budget Summary										
Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Financial Performance										
Property rates	3 990 437	5 200 065	5 395 431	6 140 478	6 140 478	6 140 478	6 140 478	6 377 189	6 919 250	7 611 175
Service charges	18 682 500	18 403 953	20 586 159	23 728 239	23 728 239	23 728 239	23 728 258	26 063 092	28 439 606	31 067 671
Investment revenue	637 393	620 079	397 694	438 015	435 015	435 015	435 015	458 991	483 624	509 679
Transfers recognised - operational	5 047 640	3 732 208	4 010 130	4 196 211	4 805 933	4 805 933	4 805 933	4 859 288	5 203 384	5 289 412
Other own revenue	1 384 560	4 574 019	4 716 152	4 304 572	4 770 222	4 770 222	4 770 222	4 944 098	5 515 964	6 043 456
Total Revenue (excluding capital transfers and contributions)	29 742 529	32 530 324	35 105 566	38 807 515	39 879 888	39 879 888	39 879 906	42 702 658	46 561 829	50 521 393
Employee costs	6 172 418	7 417 447	8 449 847	9 628 450	9 605 604	9 605 604	9 605 604	10 397 285	11 283 869	12 220 700
Remuneration of councillors	119 944	132 700	137 936	139 695	139 695	139 695	139 695	150 871	162 940	175 976
Depreciation & asset impairment	2 115 285	2 478 458	2 586 025	2 202 789	2 203 919	2 203 919	2 203 919	2 313 951	2 432 025	2 555 861
Finance charges	901 847	983 370	944 493	1 096 076	1 096 076	1 096 076	1 096 076	1 405 055	1 497 493	1 586 880
Materials and bulk purchases	14 408 224	14 341 920	15 269 964	17 862 556	17 689 984	17 689 984	17 689 984	19 010 303	20 660 531	22 487 886
Transfers and grants	1 206 630	972 951	1 038 317	675 033	652 629	652 629	652 629	700 243	735 169	801 468
Other expenditure	5 426 801	6 548 714	9 593 900	7 201 431	8 477 951	8 477 951	8 477 951	8 724 829	9 789 010	10 690 867
Total Expenditure	30 351 150	32 875 559	38 020 482	38 806 031	39 865 858	39 865 858	39 865 858	42 702 536	46 561 037	50 519 637
Surplus/(Deficit)	(608 620)	(345 236)	(2 914 916)	1 484	14 030	14 030	14 048	122	792	1 756
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1 788 457	2 001 283	2 135 374	2 783 460	2 719 544	2 719 544	2 719 544	2 448 731	1 767 945	1 737 195
Transfers and subsidies - capital (monetary allocations) (Municipal)	–	1 627	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	1 179 836	1 657 674	(779 542)	2 784 944	2 733 574	2 733 574	2 733 592	2 448 853	1 768 737	1 738 951
Share of surplus/ (deficit) of associated entities	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	1 179 836	1 657 674	(779 542)	2 784 944	2 733 574	2 733 574	2 733 592	2 448 853	1 768 737	1 738 951

Description R thousands	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<u>Capital expenditure & funds sources</u>										
Capital expenditure	4 702 035	5 731 827	5 982 968	7 417	6 808	6 467	6 467	5 814 679	5 237 278	5 116 406
Transfers recognised - capital	1 788 457	2 003 877	2 056 573	2 783	2 713	2 578	2 578	2 448 731	1 767 945	1 737 195
Borrowing	1 300 000	2 873 286	2 995 390	3 750	3 188	3 029	3 029	2 542 109	2 664 325	2 600 058
Internally generated funds	1 613 578	854 664	931 006	884	906	861	861	823 839	805 007	779 153
Total sources of capital funds	4 702 035	5 731 827	5 982 968	7 417	6 808	6 467	6 467	5 814 679	5 237 278	5 116 406
<u>Financial position</u>										
Total current assets	12 283 090	12 093 299	11 157 281	16 374 074	(4 926 728)	11 447 346	11 447 346	11 604 372	12 194 671	13 101 425
Total non current assets	53 416 188	57 394 823	60 957 175	62 732 481	(609 526)	62 122 955	62 122 955	65 729 928	67 136 188	69 086 188
Total current liabilities	8 296 580	9 865 883	10 562 151	9 805 900	–	9 805 900	9 805 900	10 731 269	11 247 043	11 476 920
Total non current liabilities	8 254 489	8 870 677	11 592 131	16 552 220	(2 210 000)	14 342 220	14 342 220	14 641 181	17 699 437	17 233 467
Community wealth/Equity	49 148 208	50 751 562	49 960 174	52 748 435	(3 326 254)	49 422 181	49 422 181	51 961 850	50 384 379	53 477 227
<u>Cash flows</u>										
Net cash from (used) operating	3 267 504	3 244 217	3 316 297	6 090 629	(1 196 804)	4 893 825	4 893 825	1 985 727	4 188 317	4 565 263
Net cash from (used) investing	(5 239 077)	(6 463 614)	(6 074 052)	(6 596 725)	609 526	(5 987 199)	(5 987 199)	(5 090 906)	(6 638 435)	(7 133 123)
Net cash from (used) financing	(334 667)	876 861	2 628 526	2 830 934	(661 908)	2 169 026	2 169 026	3 637 521	3 387 184	3 048 501
Cash/cash equivalents at the year end	6 000 822	3 658 286	3 529 056	5 853 894	(1 249 186)	4 604 708	4 604 708	5 137 048	6 074 114	6 554 754
<u>Cash backing/surplus reconciliation</u>										
Cash and investments available	7 579 959	5 839 494	5 626 934	11 660 920	(4 926 728)	6 734 192	6 734 192	7 236 533	8 173 598	8 339 336
Application of cash and investments	1 404 538	2 134 597	3 398 952	2 867 918	–	3 162 896	3 162 898	4 954 679	5 534 084	5 202 127
Balance - surplus (shortfall)	6 175 421	3 704 896	2 227 982	8 793 002	(4 926 728)	3 571 296	3 571 294	2 281 854	2 639 515	3 137 210

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands										
<u>Asset management</u>										
Asset register summary (WDV)	–	–	–	–	–	–	–	–	–	–
Depreciation	2 115 285	2 478 458	2 586 025	2 202 789	2 203 919	2 203 919	2 203 919	2 313 951	2 432 025	2 555 861
Renewal and Upgrading of Existing Assets	2 240 835	4 332 720	5 128 137	6 482 591	6 224 545	6 224 545	6 224 545	5 316 623	4 788 678	4 678 169
Repairs and Maintenance	2 106 148	2 118 570	2 455 421	3 025 549	2 796 133	2 796 133	2 796 133	3 132 023	3 348 761	3 579 020
<u>Free services</u>										
Cost of Free Basic Services provided	2 333 290	2 607 653	2 769 469	3 548 988	3 548 988	3 548 988	3 839 533	3 839 533	3 919 162	4 023 813
Revenue cost of free services provided	3 440 596	3 610 216	3 404 831	3 985 938	3 985 938	3 985 957	2 462 537	2 462 537	2 740 979	3 070 335
<u>Households below minimum service level</u>										
Water:	11	11	11	11	11	11	11	11	11	11
Sanitation/sewerage:	35	35	35	35	35	35	35	35	35	35
Energy:	27	27	10	5	5	5	10	10	10	10
Refuse:	165	164	165	–	–	–	246	246	246	246

Explanatory notes to MBRR Table A1 – Consolidated Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the City of Ekurhuleni's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council from operating performance and resources deployed to capital expenditure, financial position, cash and funding compliance, and the City of Ekurhuleni's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasise the importance of funding for the municipal budget. This requires the simultaneous assessment of the financial performance, financial position and cash flow budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after total expenditure) is positive over the MTREF.
 - b. Capital expenditure is balanced by capital funding sources, of which:
 - i. Transfers recognised are reflected on the Financial Performance Budget.
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget.
 - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The cash-backing/surplus reconciliation shows that in previous financial years the liquidity position of the municipality was placed under pressure and consequently many of its obligations were not cash-backed. This placed the municipality in a very vulnerable financial position. Consequently, Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the recently adopted Funding and Reserves Policy. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations. The cash position of the Council improved over the last year and it is anticipated that the goal of having all obligations cash-back was achieved prior to the current MTREF year, when surpluses are reflected.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of FBS shows that the amount spent on FBS and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table 22 MBRR Table A2 – Consolidated Budgeted Financial Performance (revenue and expenditure by function classification)

EKU Ekurhuleni Metro - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by functional classification)									
Functional Classification Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<u>Revenue - Functional</u>									
<i>Governance and administration</i>	7 335 233	8 447 571	8 739 952	9 527 961	9 603 781	9 603 781	9 748 344	10 584 383	11 560 908
Executive and council	1 344	–	–	–	–	–	–	–	–
Finance and administration	7 333 061	8 447 571	8 739 952	9 527 961	9 603 781	9 603 781	9 748 344	10 584 383	11 560 908
Internal audit	828	–	–	–	–	–	–	–	–
<i>Community and public safety</i>	1 231 252	1 789 719	2 433 988	2 167 229	3 072 656	3 072 656	2 030 645	1 866 369	1 588 471
Community and social services	36 791	196 461	203 988	232 886	234 669	234 669	242 255	247 098	50 496
Sport and recreation	22 490	14 733	14 217	15 891	16 055	16 055	18 290	19 211	10 654
Public safety	158 321	174 465	698 913	145 962	611 562	611 562	626 420	660 246	695 900
Housing	812 838	1 250 792	1 356 190	1 599 133	2 036 963	2 036 963	963 253	748 460	819 383
Health	200 810	153 268	160 680	173 356	173 407	173 407	180 427	191 354	12 039
<i>Economic and environmental services</i>	737 914	833 398	737 923	1 023 071	1 028 071	1 028 071	1 126 149	850 971	906 221
Planning and development	53 975	114 907	60 395	67 291	67 291	67 291	57 678	40 657	42 852
Road transport	683 909	718 464	677 527	955 635	960 635	960 635	1 068 319	810 154	863 200
Environmental protection	30	27	1	144	144	144	152	160	169
<i>Trading services</i>	21 970 566	23 147 403	25 000 644	28 540 978	28 563 186	28 563 186	31 898 215	34 661 223	37 816 351
Energy sources	13 814 230	13 738 776	14 816 508	16 533 647	16 512 884	16 512 884	17 849 745	18 936 110	20 196 065
Water management	5 204 690	4 940 478	5 723 153	6 954 240	6 972 976	6 972 976	8 428 832	9 402 342	10 550 951
Waste water management	1 112 771	2 136 370	2 489 517	2 892 460	2 916 695	2 916 695	3 270 250	3 763 698	4 290 501
Waste management	1 838 876	2 331 779	1 971 466	2 160 631	2 160 631	2 160 631	2 349 389	2 559 073	2 778 833
<i>Other</i>	256 021	315 143	328 432	331 737	331 737	331 737	348 034	366 828	386 637
Total Revenue - Functional	31 530 986	34 533 234	37 240 940	41 590 975	42 599 432	42 599 432	45 151 389	48 329 774	52 258 588

EKU Ekurhuleni Metro - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Expenditure - Functional									
<i>Governance and administration</i>	2 281 482	3 807 134	6 489 211	5 071 405	5 569 018	5 569 018	6 041 943	6 891 009	7 494 050
Executive and council	683 447	484 208	500 945	523 844	524 450	524 450	530 740	567 620	607 446
Finance and administration	1 235 578	3 266 187	5 916 612	4 468 159	4 965 166	4 965 166	5 437 977	6 245 035	6 802 724
Internal audit	362 457	56 738	71 654	79 402	79 402	79 402	73 226	78 354	83 879
<i>Community and public safety</i>	4 865 729	6 091 198	6 256 676	6 029 409	6 768 980	6 768 980	6 665 549	7 151 324	7 664 525
Community and social services	410 040	967 397	681 203	795 422	780 691	780 691	799 077	856 565	914 238
Sport and recreation	904 770	917 583	1 019 455	1 105 988	1 024 252	1 024 252	1 178 309	1 260 781	1 349 455
Public safety	1 721 569	1 752 898	1 907 548	1 976 588	2 407 606	2 407 606	2 515 621	2 712 085	2 924 725
Housing	556 533	1 075 540	1 158 538	525 812	943 588	943 588	450 443	466 741	492 556
Health	1 272 818	1 377 780	1 489 932	1 625 599	1 612 844	1 612 844	1 722 097	1 855 153	1 983 551
<i>Economic and environmental services</i>	2 195 761	2 878 785	3 298 956	3 232 714	3 269 099	3 269 099	3 505 812	3 613 421	3 822 132
Planning and development	545 430	702 128	679 519	775 479	725 494	725 494	733 418	753 892	795 320
Road transport	1 553 278	2 085 810	2 464 568	2 354 196	2 447 594	2 447 594	2 662 275	2 741 816	2 900 951
Environmental protection	97 053	90 846	154 868	103 039	96 011	96 011	110 119	117 714	125 862
<i>Trading services</i>	20 804 114	19 897 042	21 733 594	24 197 398	23 988 151	23 988 151	26 201 574	28 595 275	31 204 796
Energy sources	14 348 856	11 986 258	13 083 962	15 012 524	15 085 621	15 085 621	16 252 454	17 383 829	18 594 519
Water management	4 663 467	5 751 893	6 436 634	6 768 659	6 605 414	6 605 414	7 379 060	8 280 217	9 331 837
Waste water management	595 423	881 484	1 039 704	1 060 346	1 056 767	1 056 767	1 168 646	1 440 384	1 692 036
Waste management	1 196 367	1 277 407	1 173 294	1 355 869	1 240 349	1 240 349	1 401 414	1 490 845	1 586 405
<i>Other</i>	204 064	242 839	255 781	275 105	276 610	276 610	287 660	310 007	334 134
Total Expenditure - Functional	30 351 150	32 916 997	38 034 218	38 806 031	39 871 858	39 871 858	42 702 536	46 561 037	50 519 637
Surplus/(Deficit) for the year	1 179 836	1 616 236	(793 278)	2 784 944	2 727 574	2 727 574	2 448 853	1 768 737	1 738 951

Explanatory notes to MBRR Table A2 – Consolidated Budgeted Financial Performance (revenue and expenditure by functional classification)

1. Table A2 is a view of the consolidated budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note that the Total Revenue in this table includes capital revenues (transfers recognised – capital) and so does not balance with the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for Trading Services should exceed expenditures. The table highlights that this is the case for electricity, water and waste water and the solid waste management (refuse removal) functions.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under Corporate Services.

Table 23 MBRR Table A3 Consolidated – Budgeted Financial Performance (revenue and expenditure by municipal vote)

EKU City of Ekurhuleni - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue by Vote									
Vote 1 - Executive & Council	–	201 974	271 876	307 440	378 531	378 531	107 317	92 712	93 129
Vote 2 - Finance And Corporate Services	7 467 422	8 212 699	8 436 323	9 178 698	9 183 427	9 183 427	9 596 945	10 445 208	11 418 808
Vote 3 - Energy	13 715 715	13 738 776	14 816 508	16 533 647	16 512 884	16 512 884	17 849 745	18 936 110	20 196 065
Vote 4 - Water And Sanitation	6 477 290	7 076 847	8 212 670	9 846 700	9 889 671	9 889 671	11 699 082	13 166 040	14 841 452
Vote 5 - Waste Management	1 694 152	2 331 779	1 972 447	2 161 704	2 161 704	2 161 704	2 350 400	2 560 139	2 779 957
Vote 6 - Human Settlements	716 872	1 283 690	1 386 963	1 639 884	2 077 714	2 077 714	1 006 324	793 856	867 231
Vote 7 - City Planning	31 754	70 133	35 088	45 269	45 269	45 269	38 574	40 657	42 852
Vote 8 - Economic Development	36 339	66 531	48 495	47 675	47 675	47 675	44 526	26 795	28 242
Vote 9 - Disaster And Emergency Management	73 748	173 979	181 110	202 996	202 996	202 996	201 083	206 716	15 311
Vote 10 - Sports, Recreation, Arts & Culture	(36 046)	20 758	20 326	28 223	30 169	30 169	30 248	28 801	13 384
Vote 11 - Health And Social Development	165 026	148 520	156 623	164 774	164 825	164 825	176 370	187 078	7 532
Vote 12 - Environmental Resource Management	(22 318)	24 425	23 171	35 554	35 554	35 554	35 768	37 700	39 736
Vote 13 - Ekurhuleni Metropolitan Police Department	145 715	171 273	696 568	136 693	602 293	602 293	624 075	657 775	693 295
Vote 14 - Transport	746 346	815 694	822 133	1 160 794	1 165 794	1 165 794	1 123 100	1 092 249	1 144 121
Vote 15 - Road Transport	318 971	196 155	160 639	100 925	100 925	100 925	267 832	57 939	77 475
Total Revenue by Vote	31 530 986	34 533 234	37 240 940	41 590 975	42 599 432	42 599 432	45 151 389	48 329 774	52 258 588

Vote Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<u>Expenditure by Vote to be appropriated</u>									
Vote 1 - Executive & Council	349 497	1 132 641	1 308 645	1 438 993	1 417 531	1 417 531	1 457 108	1 539 090	1 626 734
Vote 2 - Finance And Corporate Services	1 829 254	2 239 309	4 591 600	3 013 719	3 504 300	3 504 300	3 927 468	4 649 995	5 117 665
Vote 3 - Energy	14 316 223	11 986 258	13 083 962	15 012 524	15 085 621	15 085 621	16 252 454	17 383 829	18 594 519
Vote 4 - Water And Sanitation	5 242 947	6 619 297	7 462 877	7 813 324	7 647 645	7 647 645	8 531 468	9 703 457	11 005 757
Vote 5 - Waste Management	1 196 367	1 277 407	1 173 334	1 355 965	1 240 452	1 240 452	1 401 459	1 490 893	1 586 455
Vote 6 - Human Settlements	556 540	1 433 702	1 553 201	1 056 613	1 502 876	1 502 876	1 012 703	1 066 050	1 131 495
Vote 7 - City Planning	254 360	297 539	333 666	325 799	322 189	322 189	321 734	345 354	369 620
Vote 8 - Economic Development	295 838	300 999	312 909	399 459	351 460	351 460	357 664	350 485	363 289
Vote 9 - Disaster And Emergency Management	649 056	912 695	870 100	943 624	940 922	940 922	980 367	1 056 113	1 137 803
Vote 10 - Sports, Recreation, Arts & Culture	728 461	883 078	708 940	762 636	753 958	753 958	815 702	868 936	921 904
Vote 11 - Health And Social Development	879 978	952 176	1 019 503	1 133 894	1 121 138	1 121 138	1 191 447	1 282 274	1 365 077
Vote 12 - Environmental Resource Management	683 010	738 258	804 508	863 282	773 967	773 967	901 117	967 339	1 038 590
Vote 13 - Ekurhuleni Metropolitan Police Department	1 396 498	1 715 659	1 873 955	1 932 679	2 363 896	2 363 896	2 469 845	2 663 311	2 872 747
Vote 14 - Transport	397 210	657 188	885 476	782 159	882 485	882 485	1 041 540	1 037 442	1 108 662
Vote 15 - Road Transport	1 575 911	1 770 792	2 051 542	1 971 362	1 963 418	1 963 418	2 040 459	2 156 469	2 279 319
Total Expenditure by Vote	30 351 150	32 916 997	38 034 218	38 806 031	39 871 858	39 871 858	42 702 536	46 561 037	50 519 637
Surplus/(Deficit) for the year	1 179 836	1 616 236	(793 278)	2 784 944	2 727 574	2 727 574	2 448 853	1 768 737	1 738 951

Explanatory notes to MBRR Table A3 – Consolidated Budgeted Financial Performance

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the city. This means it is possible to present the vote's operating surplus or deficit. The following table is an analysis of the surplus or deficit for refuse removal, electricity and water (including sanitation) trading services.

Table 24 Surplus/ (deficit) calculations for trading services as per MBRR Table A3

Description R thousand	16/17	17/18	18/19	Current Year 2019/20			2020/21 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full year Forecast	Budget 2020/21	Budget 2021/22	Budget 2022/23
Electricity									
Total Revenue (incl. capital grants and transfers)	13 715 715	13 738 776	14 816 508	16 533 647	16 512 884	16 512 884	17 849 745	18 936 110	20 196 065
Operating Expenditure	14 316 223	11 986 258	13 083 962	15 012 524	15 085 621	15 085 621	16 252 454	17 383 829	18 594 519
Surplus/ (Deficit) for the year	(600 508)	1 752 519	1 732 545	1 521 123	1 427 263	1 427 263	1 597 290	1 552 281	1 601 547
Percentage Surplus	-4.38%	12.76%	11.69%	9.20%	8.64%	9%	8.95%	8%	8%
Water									
Total Revenue (incl capital grants and transfers)	6 477 290	7 076 847	8 212 670	9 846 700	9 889 671	9 889 671	11 699 082	13 166 040	14 841 452
Operating Expenditure	5 242 947	6 619 297	7 462 877	7 813 324	7 647 645	7 647 645	8 531 468	9 703 457	11 005 757
Surplus/ (Deficit) for the year	1 234 342	457 551	749 793	2 033 376	2 242 026	2 242 026	3 167 614	3 462 583	3 835 695
Percentage Surplus	19.06%	6.47%	9.13%	20.65%	22.67%	23%	27.08%	26%	26%
Refuse									
Total Revenue (incl capital grants and transfers)	1 694 152	2 331 779	1 972 447	2 161 704	2 161 704	2 161 704	2 350 400	2 560 139	2 779 957
Operating Expenditure	1 196 367	1 277 407	1 173 334	1 355 965	1 240 452	1 240 452	1 401 459	1 490 893	1 586 455
Surplus/ (Deficit) for the year	497 784	1 054 372	799 112	805 739	921 252	921 252	948 941	1 069 245	1 193 501
Percentage Surplus	29%	45%	41%	37%	43%	43%	40%	42%	43%
Total for Trading Services									
Total Revenue (incl capital grants and transfers)	21 887 156	23 147 403	25 001 625	28 542 050	28 564 259	28 564 259	31 899 227	34 662 289	37 817 474
Operating Expenditure	20 755 537	19 882 961	21 720 174	24 181 813	23 973 718	23 973 718	26 185 382	28 578 180	31 186 731
Surplus/ (Deficit) for the year	1 131 619	3 264 442	3 281 451	4 360 237	4 590 540	4 590 540	5 713 845	6 084 109	6 630 743
Percentage Surplus	5%	14%	13%	15%	16%	16%	18%	18%	18%

The electricity-trading surplus is increasing from R1.5 in 2019/20 adjusted budget to R1.6 billion over 2020/21 MTREF. This is due to the higher bulk purchase tariff in the latter year.

Due to improved efficiencies in the water and sanitation account the surplus is increasing from R2.2 billion to R3.1 billion in 2020/21. The surplus in the two outer years is R3.4 billion and R3.8 billion respectively.

Waste Management reflects a surplus of R948 million in 2020/21. In the outer years, the surplus is R1 billion and R1.1 billion respectively.

Table 25 MBRR Table A4 – Consolidated Budgeted Financial Performance (revenue and expenditure)**EKU City of Ekurhuleni - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)**

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
<u>Revenue By Source</u>										
Property rates	3 990 437	5 200 065	5 395 431	6 140 478	6 140 478	6 140 478	6 140 478	6 377 189	6 919 250	7 611 175
Service charges - electricity revenue	12 903 718	12 893 182	13 915 463	15 553 417	15 553 417	15 553 417	15 553 417	16 819 792	17 929 599	19 112 657
Service charges - water revenue	3 395 581	3 152 220	3 873 112	4 870 108	4 870 108	4 870 126	4 870 126	5 613 559	6 522 752	7 574 461
Service charges - sanitation revenue	1 109 672	1 168 271	1 477 906	1 771 371	1 771 371	1 771 371	1 771 371	1 966 130	2 182 308	2 422 260
Service charges - refuse revenue	1 273 529	1 190 279	1 319 679	1 533 344	1 533 344	1 533 326	1 533 344	1 663 611	1 804 947	1 958 293
Rental of facilities and equipment	67 521	108 641	116 471	136 271	136 271	136 271	136 271	147 278	155 281	163 718
Interest earned - external investments	637 393	620 079	397 694	438 015	435 015	435 015	435 015	458 991	483 624	509 679
Interest earned - outstanding debtors	304 694	338 101	485 263	560 910	560 910	560 910	560 910	623 253	657 013	692 598
Dividends received	–	66	182	–	–	–	–	–	–	–
Fines, penalties and forfeits	334 288	175 878	650 079	145 107	610 707	610 707	610 707	632 943	667 122	703 146
Licences and permits	50 249	293 199	305 138	305 916	305 916	305 916	305 916	322 435	339 846	358 198
Agency services	282 219	–	–	–	–	–	–	–	–	–
Transfers and subsidies	5 047 640	3 732 208	4 010 130	4 196 211	4 805 933	4 805 933	4 805 933	4 859 288	5 203 384	5 289 412
Other revenue	345 588	3 656 429	3 157 374	3 156 368	3 156 418	3 156 418	3 156 418	3 218 188	3 696 702	4 125 795
Gains	–	1 705	1 644	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	29 742 529	32 530 324	35 105 566	38 807 515	39 879 888	39 879 888	39 879 906	42 702 658	46 561 829	50 521 393

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
Expenditure By Type										
Employee related costs	6 172 418	7 417 447	8 449 847	9 628 450	9 605 604	9 605 604	9 605 604	10 397 285	11 283 869	12 220 700
Remuneration of councillors	119 944	132 700	137 936	139 695	139 695	139 695	139 695	150 871	162 940	175 976
Debt impairment	2 609 579	1 471 479	4 147 512	1 579 646	2 369 166	2 369 166	2 369 166	2 565 398	3 271 324	3 727 236
Depreciation & asset impairment	2 115 285	2 478 458	2 586 025	2 202 789	2 203 919	2 203 919	2 203 919	2 313 951	2 432 025	2 555 861
Finance charges	901 847	983 370	944 493	1 096 076	1 096 076	1 096 076	1 096 076	1 405 055	1 497 493	1 586 880
Bulk purchases	12 402 511	12 245 412	13 359 107	15 703 690	15 703 690	15 703 690	15 703 690	16 850 651	18 361 910	20 029 732
Other materials	2 005 713	2 096 508	1 910 858	2 158 867	1 986 294	1 986 294	1 986 294	2 159 652	2 298 620	2 458 154
Contracted services	1 061 354	3 922 824	4 276 161	4 347 517	4 764 061	4 764 061	4 764 061	4 875 118	5 128 808	5 476 474
Transfers and subsidies	1 206 630	972 951	1 038 317	675 033	652 629	652 629	652 629	700 243	735 169	801 468
Other expenditure	1 763 820	1 151 428	1 155 810	1 258 961	1 329 417	1 329 417	1 329 417	1 268 179	1 371 872	1 469 234
Losses	(7 951)	2 982	14 417	15 307	15 307	15 307	15 307	16 134	17 005	17 923
Total Expenditure	30 351 150	32 875 559	38 020 482	38 806 031	39 865 858	39 865 858	39 865 858	42 702 536	46 561 037	50 519 637
Surplus/(Deficit)	(608 620)	(345 236)	(2 914 916)	1 484	14 030	14 030	14 048	122	792	1 756
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1 788 457	2 001 283	2 135 374	2 783 460	2 719 544	2 719 544	2 719 544	2 448 731	1 767 945	1 737 195
Transfers and subsidies - capital (in-kind - all)	–	1 627	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	1 179 836	1 657 674	(779 542)	2 784 944	2 733 574	2 733 574	2 733 592	2 448 853	1 768 737	1 738 951
Taxation	–	41 438	13 736	–	6 000	6 000	6 000	–	–	–
Surplus/(Deficit) after taxation	1 179 836	1 616 236	(793 278)	2 784 944	2 727 574	2 727 574	2 727 592	2 448 853	1 768 737	1 738 951
Attributable to minorities	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	1 179 836	1 616 236	(793 278)	2 784 944	2 727 574	2 727 574	2 727 592	2 448 853	1 768 737	1 738 951
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	1 179 836	1 616 236	(793 278)	2 784 944	2 727 574	2 727 574	2 727 592	2 448 853	1 768 737	1 738 951

Explanatory notes to MBRR Table A4 – Consolidated Budgeted Financial Performance (revenue and expenditure)

Revenue generated from **rates and service charges** forms a significant percentage of the revenue basket for the city. Rates and service charge revenues comprise around 76.0% of the total revenue mix. In the 2020/21 financial year, revenue from rates and service charges totalled R32.4 billion in the income budget. It increases to R35.3 billion and R38.6 billion in the respective outer years.

Details in this regard are contained in Table 93 MBRR Table SA1 - Supporting detail to budgeted financial performance on page 241

Transfers and subsidies recognised amount to R4.8 billion or 11.4% of total income budget in the 2020/21 financial year and increases to R5.2 billion by 2021/22. The following table gives a breakdown of the various operating grants and subsidies allocated to the City over the medium-term

Bulk purchases increases by R1.1 billion from R15.7 billion to R16.8 billion in 2020/21.

Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

Table 26 MBRR Table A5 – Consolidated Budgeted Capital Expenditure by vote, standard classification and funding source

EKU City of Ekurhuleni - Table A5 Consolidated Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<u>Capital expenditure - Vote</u>										
<u>Multi-year expenditure to be appropriated</u>										
Vote 1 - Executive & Council	–	851 376	861 263	631 740	638 007	606 106	606 106	385 088	360 268	282 156
Vote 2 - Finance And Corporate Services	951 422	451 998	453 023	995 305	975 304	926 539	926 539	873 271	727 126	607 540
Vote 3 - Energy	576 437	709 831	696 179	706 850	733 202	696 542	696 542	571 200	533 700	589 700
Vote 4 - Water And Sanitation	319 118	625 799	633 464	1 016 200	986 131	936 825	936 825	1 074 942	1 033 000	1 094 920
Vote 5 - Waste Management	82 912	137 744	119 485	128 000	121 681	115 597	115 597	182 000	162 200	207 500
Vote 6 - Human Settlements	658 389	1 186 380	1 686 547	1 605 910	1 522 334	1 446 217	1 446 217	818 889	793 769	878 318
Vote 7 - City Planning	–	–	–	600	600	570	570	600	600	–
Vote 8 - Economic Development	143 187	145 546	98 667	193 300	109 500	104 025	104 025	191 500	176 500	64 400
Vote 9 - Disaster And Emergency Management Services	101 416	–	114 134	160 300	89 610	85 130	85 130	141 200	112 500	78 850
Vote 10 - Sports, Recreation, Arts & Culture (SRAC)	105 564	123 105	79 483	119 120	93 814	89 123	89 123	120 170	107 000	99 600
Vote 11 - Health And Social Development	58 277	86 784	11 083	13 950	3 641	3 459	3 459	6 850	11 550	5 850
Vote 12 - Environmental Resource Management	53 754	171 644	130 951	304 600	239 900	227 905	227 905	194 500	128 000	83 000
Vote 13 - Ekurhuleni Metropolitan Police Department (EMPD)	–	–	113 000	115 300	113 300	107 635	107 635	126 500	126 500	131 500
Vote 14 - Transport	513 905	412 172	384 488	769 382	615 733	584 947	584 947	503 695	478 072	493 572
Vote 15 - Road Transport	572 447	685 589	601 200	656 650	564 924	536 677	536 677	624 275	486 493	499 500
Capital multi-year expenditure sub-total	4 136 826	5 587 967	5 982 968	7 417 207	6 807 681	6 467 297	6 467 297	5 814 679	5 237 278	5 116 406

Vote Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital Expenditure - Functional										
<i>Governance and administration</i>	1 044 335	1 263 489	907 011	1 817 737	1 768 340	1 679 923	1 679 923	1 258 358	1 087 394	889 696
Executive and council	407 217	94 935	–	115 000	69 322	65 856	65 855.90	385 088	360 268	282 156
Finance and administration	206 949	1 168 197	907 011	1 702 707	1 698 988	1 614 039	1 614 039	873 237	727 090	607 540
Internal audit	430 168	356	–	30	30	29	29	34	36	–
<i>Community and public safety</i>	1 277 676	1 700 687	2 222 199	2 059 207	1 876 635	1 782 803	1 782 803	1 590 109	1 441 519	1 484 618
Community and social services	191 742	382 288	330 951	160 300	89 610	85 130	85 130	376 500	290 200	290 500
Sport and recreation	58 746	99 745	79 483	343 000	286 794	272 454	272 454	120 170	107 000	99 600
Public safety	285 633	143 171	114 134	115 300	113 300	107 635	107 635	267 700	239 000	210 350
Housing	659 765	988 699	1 686 547	1 426 657	1 383 290	1 314 126	1 314 126	818 889	793 769	878 318
Health	81 790	86 784	11 083	13 950	3 641	3 459	3 459	6 850	11 550	5 850
<i>Economic and environmental services</i>	1 270 333	1 294 279	1 020 142	1 689 213	1 321 691	1 255 606	1 255 606	1 320 070	1 141 664	1 057 472
Planning and development	140 743	186 137	98 667	194 070	110 270	104 757	104 757	192 100	177 100	64 400
Road transport	1 117 468	1 097 762	921 475	1 414 543	1 164 621	1 106 390	1 106 390	1 127 970	964 564	993 072
Environmental protection	12 122	10 380	–	80 600	46 800	44 460	44 460	–	–	–
<i>Trading services</i>	1 081 745	1 473 373	1 449 128	1 851 050	1 841 015	1 748 964	1 748 964	1 646 142	1 566 700	1 684 620
Energy sources	628 256	709 831	696 179	706 850	733 202	696 542	696 542	571 200	533 700	589 700
Water management	223 472	591 644	466 817	894 800	840 496	798 471	798 471	868 942	817 000	841 000
Waste water management	104 331	34 155	166 647	121 400	145 636	138 354	138 354	206 000	216 000	253 920
Waste management	125 686	137 744	119 485	128 000	121 681	115 597	115 597	–	–	–
<i>Other</i>	27 946	–	384 488		-	-	-			
Total Capital Expenditure - Functional	4 702 035	5 731 827	5 982 968	7 417 207	6 807 681	6 467 297	6 467 297	5 814 679	5 237 278	5 116 406

Vote Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Funded by:										
National Government	1 757 650	1 856 365	2 047 582	2 774 960	2 704 509	2 569 284	2 569 284	2 438 231	1 756 945	1 735 195
Provincial Government	30 807	11 087	8 991	8 500	8 664	8 231	8 231	10 500	11 000	2 000
District Municipality	–				-	-				
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public	–	136 426		–	-	-				
Transfers recognised - capital	1 788 457	2 003 877	2 056 573	2 783 460	2 713 173	2 577 514	2 577 514	2 448 731	1 767 945	1 737 195
Borrowing	1 300 000	2 873 286	2 995 390	3 749 908	3 188 298	3 028 883	3 028 883	2 542 109	2 664 325	2 600 058
Internally generated funds	1 613 578	854 664	931 006	883 839	906 210	860 900	860 900	823 839	805 007	779 153
Total Capital Funding	4 702 035	5 731 827	5 982 968	7 417 207	6 807 681	6 467 297	6 467 297	5 814 679	5 237 278	5 116 406

Explanatory notes to MBRR Table A5 – Consolidated Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the Capital Budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year Capital Budget appropriations. In relation to multi-year appropriations for 2020/21, R5.815 billion has been allocated on the Capital Budget. This allocation reduces to R5.237 billion in 2021/22 and R5.116 billion in 2022/23.
3. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialised tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the city. For funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
4. In terms of Circular 58, any downward adjustments for 2020/21 (relating to the multi-year appropriation for 2020/21) in the 2019/20 budget must be explained. The following are the global reasons why the City has adjusted the Capital budget downwards, over the MTREF:
 - Concern raised by the rating agency, Moody's, on the growth of the capital budget of the City over the past few years which is unsustainable in the medium to long term;
 - **The need for the City to build up its cash reserves over the medium term to fund future expansion and growth.**
 - **Reduced grants allocations from National Treasury as proclaimed in the Minister's Budget speech for 2021 MTREF.**

The capital programme is funded from capital and provincial grants and transfers, public contributions and donations, borrowing and internally generated funds from current year surpluses. For 2020/21, capital grants and transfers totals R2.448 billion (42.11%) and decreases to R1.767 billion by 2021/22 (33.76%) and R1.737 billion (33.17%) in 2022/23. A substantial portion of the Capital Budget will be funded from borrowing over MTREF, with anticipated borrowings of R2.542 billion in 2020/21. Borrowing is estimated at R2.664 billion in 2021/22 and R2.600 billion in the 2022/23 financial years. The balance will be funded from internally generated funding totalling R823 million in 2020/21, R805 million in 2021/22 and R779 million in the 2022/23 financial years. These funding sources are further discussed in detail in 2.6 (overview of budget funding).

Table 27 MBRR Table A6 – Consolidated Budgeted Financial Position**EKU Ekurhuleni Metro - Table A6 Budge Consolidated Budgeted Financial Position**

Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
ASSETS										
Current assets										
Cash	6 000 822	3 658 286	3 529 056	9 531 435	(4 926 728)	4 604 707	4 604 707	5 137 048	6 074 113	6 239 851
Call investment deposits	125 036	555 526	182 769	993 594	–	993 594	993 594	978 594	978 594	978 594
Consumer debtors	4 703 602	6 000 511	5 546 101	4 488 726	–	4 488 726	4 488 726	4 145 611	3 815 544	4 532 562
Other debtors	921 335	857 560	568 897	769 786		769 786	769 786	769 786	769 786	769 786
Current portion of long-term receiv	–	–	–	–		–	–	–	–	–
Inventory	532 294	1 021 416	1 330 458	590 533		590 533	590 533	573 333	556 634	580 632
Total current assets	12 283 090	12 093 299	11 157 281	16 374 074	(4 926 728)	11 447 346	11 447 346	11 604 372	12 194 671	13 101 425
Non current assets										
Long-term receivables	6 765	6 758	13 612	6 761		6 761	6 761	6 761	6 761	6 761
Investments	1 454 100	1 625 681	1 915 109	1 135 891		1 135 891	1 135 891	1 120 891	1 120 891	1 120 891
Investment property	566 254	693 979	695 390	492 760		492 760	492 760	492 760	492 760	492 760
Investment in Associate										
Property, plant and equipment	50 759 107	54 294 852	57 407 552	60 392 764	(609 526)	59 783 238	59 783 238	63 405 211	64 811 471	66 761 471
Biological										
Intangible	550 590	704 519	856 480	628 081		628 081	628 081	628 081	628 081	628 081
Other non-current assets	79 371	69 034	69 034	76 224		76 224	76 224	76 224	76 224	76 224
Total non current assets	53 416 188	57 394 823	60 957 175	62 732 481	(609 526)	62 122 955	62 122 955	65 729 928	67 136 188	69 086 188
TOTAL ASSETS	65 699 277	69 488 122	72 114 457	79 106 555	(5 536 254)	73 570 301	73 570 301	77 334 300	79 330 859	82 187 613

Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
LIABILITIES										
Current liabilities										
Bank overdraft										
Borrowing	457 961	558 974	615 039	973 974	–	973 974	973 974	958 974	958 974	958 974
Consumer deposits	806 763	866 331	916 991	835 561		835 561	835 561	890 561	945 561	994 100
Trade and other payables	6 516 869	7 822 170	8 423 649	7 461 365	–	7 461 365	7 461 365	8 330 684	8 774 927	8 939 733
Provisions	514 988	618 407	606 472	535 000		535 000	535 000	551 050	567 582	584 113
Total current liabilities	8 296 580	9 865 883	10 562 151	9 805 900	–	9 805 900	9 805 900	10 731 269	11 247 043	11 476 920
Non current liabilities										
Borrowing	5 219 460	5 995 069	8 567 649	13 422 358	(2 210 000)	11 212 358	11 212 358	11 600 278	14 452 210	14 166 552
Provisions	3 035 029	2 875 608	3 024 483	3 129 862	–	3 129 862	3 129 862	3 040 904	3 247 227	3 066 915
Total non current liabilities	8 254 489	8 870 677	11 592 131	16 552 220	(2 210 000)	14 342 220	14 342 220	14 641 181	17 699 437	17 233 467
TOTAL LIABILITIES	16 551 069	18 736 560	22 154 282	26 358 120	(2 210 000)	24 148 120	24 148 120	25 372 450	28 946 480	28 710 387
NET ASSETS	49 148 208	50 751 562	49 960 174	52 748 435	(3 326 254)	49 422 181	49 422 181	51 961 850	50 384 379	53 477 227
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)	49 148 208	50 751 562	49 960 174	52 748 435	(3 326 254)	49 422 181	49 422 181	51 961 850	50 384 379	53 477 227
Reserves	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUIT	49 148 208	50 751 562	49 960 174	52 748 435	(3 326 254)	49 422 181	49 422 181	51 961 850	50 384 379	53 477 227

Explanatory notes to MBRR Table A6 – Consolidated Budgeted Financial Position

1. Table MBRR A6 is consistent with international standards of good financial management practice, and improves councilors' and management's understanding of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents assets less liabilities as "accounting" community wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash or liabilities immediately required to be met from cash, appear first.
3. Table 98 MBRR Table SA3 – supporting detail to the statement of financial position is supported by an extensive table of notes (SA3 which can be found on **Error! Bookmark not defined.**) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits.
 - Consumer debtors.
 - Property, plant and equipment.
 - Trade and other payables.
 - Provisions non-current.
 - Changes in net assets.
 - Reserves.
4. The municipal equivalent of equity is community wealth/equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the budgeted financial performance or the Capital Budget will inevitably impact on the budgeted financial position. For example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year-end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition, the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 28 MBRR Table A7 – Consolidated Budgeted Cash Flow Statement**EKU Ekurhuleni Metro - Table A7 Consolidated Budgeted Cash Flows**

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates	3 703 938	4 878 058	5 554 632	5 572 050		5 572 050	5 572 050	5 320 951	5 853 297	6 380 093
Service charges	17 307 596	17 351 018	18 127 610	22 304 545	(2 000 000)	20 304 545	20 304 545	19 187 074	21 759 417	23 717 765
Other revenue	827 316	1 115 220	1 484 588	1 936 330	465 650	2 401 980	2 401 980	1 133 137	1 234 464	1 386 582
Transfers and Subsidies - Operational	4 753 667	5 732 817	6 045 125	5 928 709	609 723	6 538 432	6 538 432	5 798 706	6 261 312	6 824 830
Transfers and Subsidies - Capital	1 794 427	2 001 283	2 067 209	2 623 480	—	2 623 480	2 623 480	2 281 917	2 436 116	2 655 366
Interest	554 436	619 175	399 384	999 266	(3 000)	996 266	996 266	1 082 244	1 140 637	1 202 277
Dividends	555	66	182	—				—	—	—
Payments										
Suppliers and employees	(24 008 084)	(26 156 689)	(28 087 954)	(29 987 363)	(269 177)	(30 256 540)	(30 256 540)	(30 713 005)	(32 264 263)	(35 213 302)
Finance charges	(618 440)	(719 976)	(651 395)	(1 327 362)		(1 327 362)	(1 327 362)	(1 405 055)	(1 497 493)	(1 586 880)
Transfers and Grants	(1 047 906)	(1 576 754)	(1 623 085)	(1 959 026)		(1 959 026)	(1 959 026)	(700 243)	(735 169)	(801 468)
NET CASH FROM/(USED) OPERATING ACTIVITIES	3 267 504	3 244 217	3 316 297	6 090 629	(1 196 804)	4 893 825	4 893 825	1 985 727	4 188 317	4 565 263
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE	—	—	—	—				—	—	—
Decrease (increase) in non-current receivables	54	(193)	(6 854)	—		—	—	—	—	—
Decrease (increase) in non-current investments	(226 682)	(601 770)	83 330	751 000		751 000	751 000	1 612 230	(4 370)	(801 000)
Payments										
Capital assets	(5 012 448)	(5 861 651)	(6 150 528)	(7 347 725)	609 526	(6 738 199)	(6 738 199)	(6 703 136)	(6 634 064)	(6 332 123)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(5 239 077)	(6 463 614)	(6 074 052)	(6 596 725)	609 526	(5 987 199)	(5 987 199)	(5 090 906)	(6 638 435)	(7 133 123)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								—	—	—
Borrowing long term/refinancing	(351)	1 300 000	3 000 002	3 749 908	(661 908)	3 088 000	3 088 000	3 587 249	3 336 896	3 000 000
Increase (decrease) in consumer deposits	56 995	—	—	55 000		55 000	55 000	50 272	50 288	48 501
Payments										
Repayment of borrowing	(391 312)	(423 139)	(371 476)	(973 974)		(973 974)	(973 974)	—	—	—
NET CASH FROM/(USED) FINANCING ACTIVITIES	(334 667)	876 861	2 628 526	2 830 934	(661 908)	2 169 026	2 169 026	3 637 521	3 387 184	3 048 501
NET INCREASE/ (DECREASE) IN CASH HELD	(2 306 239)	(2 342 536)	(129 230)	2 324 838	(1 249 186)	1 075 652	1 075 652	532 341	937 066	480 640
Cash/cash equivalents at the year begin:	8 307 062	6 000 822	3 658 286	3 529 056		3 529 056	3 529 056	4 604 707	5 137 048	6 074 114
Cash/cash equivalents at the year end:	6 000 822	3 658 286	3 529 056	5 853 894	(1 249 186)	4 604 708	4 604 708	5 137 048	6 074 114	6 554 754

Table 29 MBRR Table A8 – Consolidated Cash-backed Reserves/Accumulated Surplus Reconciliation

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
<u>Cash and investments available</u>											
Cash/cash equivalents at the year end	1	6 000 822	3 658 286	3 529 056	5 853 894	(1 249 186)	4 604 708	4 604 708	5 137 048	6 074 114	6 554 754
Other current investments > 90 days		125 036	555 526	182 769	4 671 135	(3 677 542)	993 593	993 593	978 594	978 593	663 691
Non current assets - Investments	1	1 454 100	1 625 681	1 915 109	1 135 891	–	1 135 891	1 135 891	1 120 891	1 120 891	1 120 891
Cash and investments available:		7 579 959	5 839 494	5 626 934	11 660 920	(4 926 728)	6 734 192	6 734 192	7 236 533	8 173 598	8 339 336
<u>Application of cash and investments</u>											
Unspent conditional transfers		126 092	597 883	980 714	943 663	–	943 663	943 663	545 185	644 828	623 146
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2										
Other working capital requirements	3	1 278 446	1 536 714	2 418 238	1 924 255	–	2 219 233	2 219 235	4 409 494	4 889 256	4 578 981
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		1 404 538	2 134 597	3 398 952	2 867 918	–	3 162 896	3 162 898	4 954 679	5 534 084	5 202 127
Surplus(shortfall)		6 175 421	3 704 896	2 227 982	8 793 002	(4 926 728)	3 571 296	3 571 294	2 281 854	2 639 515	3 137 210

Explanatory notes to MBRR Table A7 – Consolidated Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash inflow versus cash outflow that is likely to result from the implementation of the budget.
3. It can be seen that the City of Ekurhuleni's cash levels are increasing steadily.
4. The cash and cash equivalents increase because of healthy increases in operational activities due to implementations of various interventions, i.e. extensive debt collection drive.
5. The 2020/21 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
6. Cash and cash equivalents are expected to improve steadily to R5.1 billion in 2020/21. This increase is in line with the city's aim to achieve a three-month operating expenses coverage with its available cash and cash equivalents balances in the near future. As can be seen from the table, the city has a healthy net cash inflow from its operating activities. This result steadily increases over the MTREF period. This indicates that the cash inflows (inflows from ratepayers, etc.) generated from operating activities substantially exceeds the cash outflows (outflows to suppliers, employees etc.) of the operating activities. The significant net cash outflows from investing activities indicates inter alia that the metro is spending vast amounts of capital assets (property, plant and equipment etc.). This is made possible largely due to the healthy net cash inflows from operating activities mentioned above. The net cash inflows from financing activities is largely due to existing bonds and new bonds that will be taken up during the MTREF, as discussed in various sections within this document.

Explanatory notes to MBRR Table A8 – Consolidated Cash-backed Reserves/Accumulated Surplus Reconciliation

1. The cash-backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget. It is also in line with Council's Funding and Reserves Policy.
2. In essence, the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.

-
5. The end objective of the medium-term framework is to ensure the budget is funded and aligned to Section 18 of the MFMA.
 6. From the table it can be seen that the cash surplus is increasing over the years.
 7. As part of the budgeting and planning guidelines that informed the compilation of the 2020/21 MTREF and considering the requirements of Section 18 of the MFMA, it can be concluded that the 2020/21 MTREF is funded due to the significant cash surplus.

Table 30 MBRR Table A9 – Consolidated Asset Management

EKU City of Ekurhuleni - Table A9 Consolidated Asset Management									
Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
CAPITAL EXPENDITURE									
<u>Total New Assets</u>	2 461 200	1 399 107	854 831	934 616	583 136	583 136	498 057	448 599	438 237
<i>Roads Infrastructure</i>	692 706	13 751	–	–	–	–	–	–	–
<i>Storm water Infrastructure</i>	–	–	–	–	–	–	–	–	–
<i>Electrical Infrastructure</i>	465 247	44 098	–	–	–	–	–	–	–
<i>Water Supply Infrastructure</i>	161 203	–	–	–	–	–	–	–	–
<i>Sanitation Infrastructure</i>	40 683	–	140 052	121 400	143 459	143 459	122 528	110 361	107 812
<i>Solid Waste Infrastructure</i>	135 542	–	–	–	–	–	–	–	–
<i>Rail Infrastructure</i>	–	–	–	–	–	–	–	–	–
<i>Coastal Infrastructure</i>	–	–	–	–	–	–	–	–	–
<i>Information and Communication Infrastructure</i>	–	201	–	–	–	–	–	–	–
Infrastructure	1 495 382	58 050	140 052	121 400	143 459	143 459	122 528	110 361	107 812
Community Facilities	31 847	7 303	270 508	328 000	201 121	201 121	171 777	154 720	151 146
Sport and Recreation Facilities	7 476	–	–	–	–	–	–	–	–
Community Assets	39 322	7 303	270 508	328 000	201 121	201 121	171 777	154 720	151 146
Heritage Assets	–	–	–	–	–	–	–	–	–
Revenue Generating	581 005	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Investment properties	581 005	–	–	–	–	–	–	–	–
Operational Buildings	345 490	–	79 017	260 700	59 420	59 420	50 751	45 711	44 655
Housing	–	–	–	–	–	–	–	–	–
Other Assets	345 490	–	79 017	260 700	59 420	59 420	50 751	45 711	44 655
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	1 223	–	–	–	–	–	–	–
Intangible Assets	–	1 223	–	–	–	–	–	–	–
Computer Equipment	–	504 735	780	1 256	1 256	1 256	1 073	966	944
Furniture and Office Equipment	–	37 533	53 093	45 659	26 435	26 435	22 578	20 336	19 867
Machinery and Equipment	–	70 934	2 635	7 815	12 359	12 359	10 556	9 507	9 288
Transport Assets	–	324 046	308 747	169 786	139 086	139 086	118 793	106 997	104 526
Land	–	395 282	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
CAPITAL EXPENDITURE									
<u>Total Renewal of Existing Assets</u>	2 240 835	2 254 825	4 856 937	5 605 110	5 619 764	5 619 764	4 800 079	4 323 427	4 223 666
<i>Roads Infrastructure</i>	346 823	952 550	895 697	1 017 071	1 012 679	1 012 679	864 929	779 041	761 046
<i>Storm water Infrastructure</i>	–	56 571	25 779	19 500	16 500	16 500	14 093	12 693	12 400
<i>Electrical Infrastructure</i>	111 189	630 547	696 179	651 500	690 002	690 002	589 331	530 810	518 549
<i>Water Supply Infrastructure</i>	46 317	414 771	466 717	731 500	731 449	731 449	624 731	562 695	549 697
<i>Sanitation Infrastructure</i>	57 360	167 252	167 791	99 800	81 097	81 097	69 265	62 387	60 946
<i>Solid Waste Infrastructure</i>	82 912	4 012	119 485	84 000	76 681	76 681	65 493	58 990	57 627
<i>Information and Communication Infrastructure</i>	432 297	–	384 488	580 345	726 345	726 345	620 371	558 768	545 861
Infrastructure	1 076 898	2 225 703	2 756 136	3 183 716	3 334 752	3 334 752	2 848 212	2 565 385	2 506 124
Community Facilities	109 257	11 342	421 124	402 200	302 700	302 700	258 536	232 863	227 484
Sport and Recreation Facilities	33 469	750	79 483	113 000	87 530	87 530	74 759	67 336	65 780
Community Assets	142 726	12 092	500 608	515 200	390 230	390 230	333 295	300 199	293 265
Heritage Assets	–	–	–	–	–	–	–	–	–
Revenue Generating	77 384	16 916	1 036 244	1 486 649	1 478 054	1 478 054	1 262 645	1 137 261	1 111 100
Non-revenue Generating	–	–	482 449	298 000	347 091	347 091	296 451	267 013	260 845
Investment properties	77 384	16 916	1 518 693	1 784 649	1 825 146	1 825 146	1 559 096	1 404 274	1 371 945
Operational Buildings	464 471	–	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Other Assets	464 471	–	–	–	–	–	–	–	–
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Intangible Assets	–	–	4 812	–	–	–	–	–	–
Computer Equipment	–	21	–	–	–	–	–	–	–
Furniture and Office Equipment	81 742	93	–	–	–	–	–	–	–
Machinery and Equipment	62 030	–	76 688	121 545	69 635	69 635	59 476	53 570	52 332
Transport Assets	335 584	–	–	–	–	–	–	–	–
Land	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
CAPITAL EXPENDITURE									
Total Upgrading of Existing Assets	–	2 077 895	271 200	877 481	604 781	604 781	516 544	465 251	454 504
Sanitation Infrastructure	–	–	9 544	–	–	–	–	–	–
Solid Waste Infrastructure	–	3 811	–	–	–	–	–	–	–
Infrastructure	–	3 811	9 544	–	–	–	–	–	–
Community Facilities	–	3 663	45 737	494 610	316 460	316 460	270 288	243 449	237 825
Sport and Recreation Facilities	–	3 433	–	–	–	–	–	–	–
Community Assets	–	7 096	45 737	494 610	316 460	316 460	270 288	243 449	237 825
Heritage Assets	–	–	–	–	–	–	–	–	–
Revenue Generating	–	314 490	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Investment properties	–	314 490	–	–	–	–	–	–	–
Operational Buildings	–	1 684 582	215 920	344 231	286 822	286 822	244 974	220 649	215 552
Housing	–	67 916	–	38 640	1 500	1 500	1 281	1 154	1 127
Other Assets	–	1 752 498	215 920	382 871	288 322	288 322	246 256	221 802	216 679
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Intangible Assets	–	–	–	–	–	–	–	–	–
Computer Equipment	–	–	–	–	–	–	–	–	–
Furniture and Office Equipment	–	–	–	–	–	–	–	–	–
Machinery and Equipment	–	–	–	–	–	–	–	–	–
Transport Assets	–	–	–	–	–	–	–	–	–
Land	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
CAPITAL EXPENDITURE									
Total Capital Expenditure	4 702 035	5 731 827	5 982 968	7 417 207	6 807 681	6 807 681	5 814 679	5 237 278	5 116 406
<i>Roads Infrastructure</i>	1 039 529	966 302	895 697	1 017 071	1 012 679	1 012 679	864 929	779 041	761 046
<i>Storm water Infrastructure</i>	—	56 571	25 779	19 500	16 500	16 500	14 093	12 693	12 400
<i>Electrical Infrastructure</i>	576 437	674 644	696 179	651 500	690 002	690 002	589 331	530 810	518 549
<i>Water Supply Infrastructure</i>	207 520	414 771	466 717	731 500	731 449	731 449	624 731	562 695	549 697
<i>Sanitation Infrastructure</i>	98 043	167 252	317 387	221 200	224 556	224 556	191 793	172 748	168 757
<i>Solid Waste Infrastructure</i>	218 454	7 822	119 485	84 000	76 681	76 681	65 493	58 990	57 627
<i>Rail Infrastructure</i>	—	—	—	—	—	—	—	—	—
<i>Coastal Infrastructure</i>	—	—	—	—	—	—	—	—	—
<i>Information and Communication Infrastructure</i>	432 297	201	384 488	580 345	726 345	726 345	620 371	558 768	545 861
Infrastructure	2 572 280	2 287 564	2 905 731	3 305 116	3 478 211	3 478 211	2 970 740	2 675 746	2 613 936
Community Facilities	141 104	22 309	737 369	1 224 810	820 281	820 281	700 602	631 032	616 455
Sport and Recreation Facilities	40 945	4 183	79 483	113 000	87 530	87 530	74 759	67 336	65 780
Community Assets	182 049	26 492	816 853	1 337 810	907 811	907 811	775 361	698 368	682 235
Heritage Assets	—	—	—	—	—	—	—	—	—
Revenue Generating	658 389	331 406	1 036 244	1 486 649	1 478 054	1 478 054	1 262 645	1 137 261	1 111 100
Non-revenue Generating	—	—	482 449	298 000	347 091	347 091	296 451	267 013	260 845
Investment properties	658 389	331 406	1 518 693	1 784 649	1 825 146	1 825 146	1 559 096	1 404 274	1 371 945
Operational Buildings	809 961	1 684 582	294 936	604 931	346 242	346 242	295 725	266 360	260 207
Housing	—	67 916	—	38 640	1 500	1 500	1 281	1 154	1 127
Other Assets	809 961	1 752 498	294 936	643 571	347 742	347 742	297 006	267 514	261 334
Biological or Cultivated Assets	—	—	—	—	—	—	—	—	—
Servitudes	—	—	—	—	—	—	—	—	—
Licences and Rights	—	1 223	4 812	—	—	—	—	—	—
Intangible Assets	—	1 223	4 812	—	—	—	—	—	—
Computer Equipment	—	504 756	780	1 256	1 256	1 256	1 073	966	944
Furniture and Office Equipment	81 742	37 626	53 093	45 659	26 435	26 435	22 578	20 336	19 867
Machinery and Equipment	62 030	70 934	79 323	129 360	81 994	81 994	70 031	63 077	61 620
Transport Assets	335 584	324 046	308 747	169 786	139 086	139 086	118 793	106 997	104 526
Land	—	395 282	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals	—	—	—	—	—	—	—	—	—
TOTAL CAPITAL EXPENDITURE - Asset class	4 702 035	5 731 827	5 982 968	7 417 207	6 807 681	6 807 681	5 814 679	5 237 278	5 116 406

Explanatory notes to MBRR Table A9 – Consolidated Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40% of their Capital Budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8% of PPE. The City meets the 40% renewal requirement.
3. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the city's strategy to address the maintenance backlog.

Table 31 MBRR Table A10 – Consolidated Basic Service Delivery Measurement

EKU Ekurhuleni Metro - Table A10 Basic service delivery measurement									
Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Household service targets									
<u>Water:</u>									
Piped water inside dwelling	509 658	510 858	512 058	532 258	532 258	532 258	585 484	644 032	708 435
Piped water inside yard (but not in dwelling)	381 762	381 762	381 762	381 762	381 762	381 762	419 938	461 932	508 125
Using public tap (at least min.service level)	119 317	119 417	119 417	119 517	119 517	119 517	131 469	144 616	159 077
Other water supply (at least min.service level)	2 211	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>	1 012 948	1 012 037	1 013 237	1 033 537	1 033 537	1 033 537	1 136 891	1 250 580	1 375 638
Using public tap (< min.service level)	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	–	–	–	–	–	–	–	–	–
No water supply	11 311	11 311	11 311	11 311	11 311	11 311	11 311	11 311	11 311
<i>Below Minimum Service Level sub-total</i>	11 311	11 311	11 311	11 311	11 311	11 311	11 311	11 311	11 311
Total number of households	1 024 259	1 023 348	1 024 548	1 044 848	1 044 848	1 044 848	1 148 202	1 261 891	1 386 949
<u>Sanitation/sewerage:</u>									
Flush toilet (connected to sewerage)	510 858	512 058	513 258	513 258	513 258	513 258	564 584	621 042	683 146
Flush toilet (with septic tank)	3 429	3 429	3 429	3 429	3 429	3 429	3 772	4 149	4 564
Chemical toilet	217 245	217 245	237 245	237 245	237 245	237 245	237 245	237 245	237 245
Pit toilet (ventilated)	80 613	80 613	80 613	80 613	80 613	80 613	80 613	80 613	80 613
Other toilet provisions (> min.service level)	179 824	179 824	179 824	179 824	179 824	179 824	179 824	179 824	179 824
<i>Minimum Service Level and Above sub-total</i>	991 969	993 169	1 014 369	1 014 369	1 014 369	1 014 369	1 066 038	1 122 873	1 185 392
Bucket toilet	–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)	23 594	23 594	23 594	23 594	23 594	23 594	23 594	23 594	23 594
No toilet provisions	11 806	11 806	11 806	11 806	11 806	11 806	11 806	11 806	11 806
<i>Below Minimum Service Level sub-total</i>	35 400	35 400	35 400	35 400	35 400	35 400	35 400	35 400	35 400
Total number of households	1 027 369	1 028 569	1 049 769	1 049 769	1 049 769	1 049 769	1 101 438	1 158 273	1 220 792

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Household service targets									
<u>Energy:</u>									
Electricity (at least min.service level)	150 000	150 000	109 462	86 400	86 400	86 400	80 000	75 000	70 000
Electricity - prepaid (min.service level)	398 042	454 007	466 497	496 530	496 530	496 530	508 930	519 930	530 930
<i>Minimum Service Level and Above sub-total</i>	548 042	604 007	575 959	582 930	582 930	582 930	588 930	594 930	600 930
Electricity (< min.service level)	–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
Other energy sources	27 000	27 000	10 000	5 000	5 000	5 000	10 000	10 000	10 000
<i>Below Minimum Service Level sub-total</i>	27 000	27 000	10 000	5 000	5 000	5 000	10 000	10 000	10 000
Total number of households	575 042	631 007	585 959	587 930	587 930	587 930	598 930	604 930	610 930
<u>Refuse:</u>									
Removed at least once a week	668 158	681 000	699 477	881 072	881 072	881 072	944 000	990 256	1 038 778
<i>Minimum Service Level and Above sub-total</i>	668 158	681 000	699 477	881 072	881 072	881 072	944 000	990 256	1 038 778
Removed less frequently than once a week	–	–	–	–	–	–	–	–	–
Using communal refuse dump	164 699	164 399	164 718	–	–	–	246 000	246 000	246 000
Using own refuse dump	–	–	–	–	–	–	–	–	–
Other rubbish disposal	–	–	–	–	–	–	–	–	–
No rubbish disposal	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	164 699	164 399	164 718	–	–	–	246 000	246 000	246 000
Total number of households	832 857	845 399	864 195	881 072	881 072	881 072	1 190 000	1 236 256	1 284 778

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<u>Households receiving Free Basic Service</u>									
Water (6 kilolitres per household per month)	465 924	472 913	336 026	365 596	365 596	365 596	391 967	391 967	391 967
Sanitation (free minimum level service)	462 708	469 649	332 697	361 974	361 974	361 974	390 183	390 183	390 183
Electricity/other energy (50kwh per household per month)	–	–	–	–	–	–	–	–	–
Refuse (removed at least once a week)	115 000	115 000	135 000	150 000	150 000	150 000	165 000	165 000	165 000
<u>Cost of Free Basic Services provided - Formal Settlements (R'000)</u>									
Water (6 kilolitres per indigent household per month)	566 241	493 478	484 506	543 884	543 884	543 884	617 727	614 064	629 467
Sanitation (free sanitation service to indigent households)	220 607	322 943	–	364 361	364 361	364 361	418 086	445 999	476 761
Electricity/other energy (50kwh per indigent household per month)	1 332 126	1 424 305	1 595 189	1 787 588	1 787 588	1 787 588	1 943 301	1 959 102	1 976 011
Refuse (removed once a week for indigent households)	–	151 673	190 927	315 070	315 070	315 070	319 258	328 088	337 120
<u>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</u>	214 316	215 254	498 848	538 085	538 085	538 085	541 161	571 909	604 454
Total cost of FBS provided	2 333 290	2 607 653	2 769 469	3 548 988	3 548 988	3 548 988	3 839 533	3 919 162	4 023 813

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<u>Highest level of free service provided per household</u>									
Property rates (R value threshold)	150 000	150 000	150 000	150 000	150 000	150 000	150 000	150 000	150 000
Water (kilolitres per household per month)	9	9	9	9	9	9	9	9	9
Sanitation (kilolitres per household per month)	9	9	9	9	9	9	9	9	9
Sanitation (Rand per household per month)	74	89	89	99	99	99	110	122	135
Electricity (kwh per household per month)	100	100	100	100	100	100	100	100	100
Refuse (average litres per week)	240	240	240	240	240	240	240	240	240
<u>Revenue cost of subsidised services provided (R'000)</u>									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)									
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	832 047	989 174	1 105 133	1 105 811	1 105 811	1 105 811	1 324 731	1 437 333	1 581 066
Water (in excess of 6 kilolitres per indigent household per month)	446 975	461 745	324 201	368 615	368 615	368 615	421 336	506 460	608 475
Sanitation (in excess of free sanitation service to indigent households)	319 903	337 307	–	254 533	254 533	254 533	280 777	326 102	372 187
Electricity/other energy (in excess of 50 kwh per indigent household per month)	311 575	362 134	364 748	408 565	408 565	408 565	435 693	471 084	508 607
Refuse (in excess of one removal a week for indigent households)	1 530 096	1 459 856	1 610 749	1 848 414	1 848 414	1 848 433	–	–	–
Municipal Housing - rental rebates									
Housing - top structure subsidies									
Other									
Total revenue cost of subsidised services provided	3 440 596	3 610 216	3 404 831	3 985 938	3 985 938	3 985 957	2 462 537	2 740 979	3 070 335

Explanatory note to MBRR Table A10 – Consolidated Basic Service Delivery Measurement

1. It is anticipated that these FBS will cost the municipality R3.8 billion in 2020/21. This 'tax expenditure' needs to be seen within the context of the municipality's overall revenue management strategy – the more the municipality gives away, the less there is available to fund other services.
2. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
3. The metro continues to make good progress with the eradication of backlogs:
4. The budget provides for 165 000 households to be registered as indigent in 2020/21, and therefore entitled to receiving FBS. The level of FBS will have to be reviewed to cover the cost of additional indigents given the rapid rate of immigration to the metro, especially by poor people seeking economic opportunities.

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the City's mayor to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition, Chapter 2 of the Municipal Budget and Reporting Regulations states that the metro's mayor must establish a Budget Steering Committee to provide technical assistance to the mayor in discharging the responsibilities set out in Section 53 of the Act.

Budget Steering Committee

The Budget Steering Committee was set up by the Executive Mayor in terms of Section 4 of the Municipal Budget and Reporting Regulations.

The Budget Steering Committee is chaired by the MMC Finance and the following Members of Mayoral Committee are members:

- MMC for Infrastructure Services
- MMC for Water, Sanitation and Energy
- MMC for Community Services
- MMC for Human Settlements
- MMC for Corporate and Shared Services

The primary aims of the Budget Steering Committee are to ensure:

- That the process followed to compile the budget complies with legislation and good budget practices.
- That there is proper alignment between the policy and service delivery priorities set out in the metro's IDP and the budget, taking into account the need to protect the financial sustainability of municipality.
- That the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available.
- That the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget Process Overview

The time schedule of key deadlines for the compilation of the IDP and MTREF was submitted to Council for approval in July 2019 as required by Section 21(b) of the MFMA. In terms of the schedule of key deadlines, the budget was planned to be tabled to Council in February 2020. However, on the 12th February 2020 the City received a letter from National Treasury which, although commending the City for early tabling of the budget and related documents, pointed out several factors which will make the tabled budget significantly different from the budget that will be tabled for approval in May 2020. These factors are:

- The national budget was tabled by the Minister of Finance on 26th February 2020. The national budget showed allocations to municipalities in terms of the Division of Revenue Bill. The allocations informed the City's grant allocations for the 2021 MTREF; and

- The bulk water and electricity tariffs will not be finalised by February 2020. These tariffs have a significant impact on the revenue projections of the City as they comprise a significant portion of own revenue.

Based on these, it was premature for the City to table its budget in February 2020. Significant differences between the tabled and approved budgets compromise the public participation process. Council subsequently approved tabling of the budget in March 2020, which is in line with section 16(2) of the MFMA.

Starting from the 2019/20 financial year, National Treasury required municipalities to **compile their budgets directly from their financial systems and extract their monthly budget statements (Schedules B and C) directly from the systems in compliance with the mSCOA requirements.** The budget data strings that come directly from the system must also be generated. This process ensures that there is perfect alignment amongst the approved budget, the budget submitted to National Treasury, the data strings and the monthly budget statements. The City has made substantial progress in meeting this requirement.

The departments received budget compilation guidelines on the 12th October 2019 detailing the process to be followed when capturing their Operating and Capital Budgets request on the Budget Management Tool. The Heads of Departments were requested to approve their budget on the financial system by the 2nd November 2019. From these submissions, the budget was extracted that went through the Budget Steering Committee for refinement and finalisation.

Section 25 of the Municipal Systems Act, 32 of 2000 requires that Municipalities in South Africa develop 5 year strategic plans (IDP's) and review these plans annually in terms of section 34. The IDP must align the resources and the capacity of a municipality to its overall development aims and guide the budget of the municipality. **This process was undertaken during September/ October 2019.**

The alignment of the budget with the IDP has been achieved through the development of the City's IDP Strategic Objectives which are aligned to the City's long term plan (GDS 2055). The GDS 2055 is itself aligned to Provincial and National Plans (including the National Outcomes as outlined in the MTSF and the IUDF amongst other). The IDP Strategic Objectives are as follows:

GDS 2055	IDP Strategic Objectives
Re-urbanize: To achieve urban integration.	Strategic Objective 1 To promote integrated human settlements through massive infrastructure and services roll out.
Re-govern: To achieve effective cooperative governance.	Strategic Objective 2: To build a clean, capable and modernised local state.
Re Mobilize: To achieve social empowerment.	Strategic Objective 3: To promote safer, healthy and socially empowered communities.
Re-Generate: To achieve environmental well-being.	Strategic Objective 4: To protect the natural environment and promote resource sustainability.
Re-Industrialize: To achieve job creating economic growth.	Strategic Objective 5: To create an enabling environment for inclusive growth and job creation.

IDP outcomes, indicators and targets aligned to the 5 Strategic Objectives were developed, as required by MFMA Circular 88: Municipal Circular on Rationalization of Planning and Reporting Requirements for the draft 2020/21 MTREF. Output indicators as well as targets that will respond to the outcome indicators in the IDP were also developed in the 2020/2021 draft SDBIP; including output indicator as regulated by MFMA circular 88. An attempt was made in the draft 2020/2021 SDBIP to align all the indicators to the budget and/projects that are funded in the 2020-2021 MTREF; to ensure that the budget funds the priorities in the IDP. The funding of the ward priorities through the budget is also an indication of the alignment of the budget to community development priorities.

Amendments to the Integrated Development Plan

This review resulted in some amendments to the approved IDP. The following amendments were made to the IDP:

- The chapter on intergovernmental alignment has been reviewed to include the State of the Nation Address (SONA) 2019, State of the Province Address (SOPA) 2019, National Budget Speech 2019 as well as the municipality's response to the MEC's comments on the 2016-2021 IDP;
- Based on the engagement with ward committees on the ward development priorities held in September 2019 the public participation chapter has been reviewed to accommodate the changes;
- The chapter on the IDP performance scorecard has been amended to reflect the current delivery realities and anticipated performance for the rest of the term.

The chapter on the financial plan was amended to reflect the current MTREF policy statement and guidelines, local government grants and additional allocation, financial management reforms and the MTREF summary.

2.1.2 IDP and Service Delivery and Budget Implementation Plan

The IDP is the City of Ekurhuleni's principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into planning statements covering the five-year objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The whole process was structured around supporting and working towards contributing to the achievement of the programmes set in the GDS 2055.

In terms of Section 34 of the Municipal Systems Act, 32 of 2000, the Council must annually review its IDP in terms of a predetermined process.

The review of the IDP in terms of the Municipal Systems Act is guided and informed by the following:

- It must support and work towards achieving the vision and mission of City of Ekurhuleni.
- Working towards the achievement of the City of Ekurhuleni GDS 2055 programmes.
- Addressing the national outcomes set by Parliament.
- Focus on basic service delivery in terms of the eradication of backlogs and the maintenance of existing infrastructure and community needs.
- Provincial plans and programmes applicable to the specific budget allocations by the respective provincial sector departments to these projects should also be reflected as far as possible.

All departments were part of the process of reviewing the IDP and SDBIP in terms of the newly approved GDS 2055.

2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2020/21 MTREF, financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2020/21 MTREF:

- City growth;
- Policy priorities and strategic objectives;
- Asset maintenance;
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns);
- Performance trends;
- The approved 2019/20 adjustments budget and performance against the SDBIP;
- Cash Flow Management Strategy;
- Debtor payment levels;
- Loan and investment possibilities;
- The need for tariff increases versus the ability of the community to pay for services; and
- Improved and sustainable service delivery.

In addition to the above, the strategic guidance given in National Treasury's MFMA Circular 78-86 have been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation

Section 29 (1) (b) of Chapter 5 of the Municipal Systems Act of 2000 states that municipalities through appropriate mechanisms, processes and procedures established in terms of Chapter 4 of the Municipal Systems Act, 2000; must allow for communities to be consulted on their development needs and priorities; and that the local community to participate in drafting of the IDP. From the 10th of September 2019 to the 01st of October 2019, the City embarked on a programme of consulting communities in respect of the review of the five (5) ward based IDP priorities. The programme of consultation was as follows:

Date	CCA	Proposed Venues	Ward Numbers	Proposed Time
10 September 2019	Tembisa 1	Rabasotho Hall	4,5,6,8,9,14 ,90	18:00
10 September 2019	Katlehong 1	DH Williams Hall	40,48,49, 50, 51, 55, 107	18:00
11 September 2019	Katlehong 2	Palm Ridge Hall	59,60,61,62,63,101,103,108	18:00
11 September 2019	Tembisa 2	Olifantsfontein Hall	1,2,3,7,89,100,102	18:00
12 September 2019	Etwatwa	Stompie Skhosana	26,65,66,67, 109	18:00
12 September 2019	Alberton	New Council Chambers, Civic Centre	37,38,53,58,94,106	18:00
12 September 2019	Nigel/Duduza	Monty Motloung Hall	88,111, 86, 87 ,98	18:00
17 September 2019	Vosloorus	Vosloorus Civic Hall	44; 45; 46; 47; 64; 95, 107	18:00
17 September 2019	Kwathema	Kwathema Community Hall	74,77,78,79,80,81	18:00
17 September 2019	Benoni	Benoni Council Chamber	24,27,28,29,30,73 ,110	18:00

18 September 2019	Daveyton	Mbikwa Cindi Hall	68, 69, 70, 71, 96	18:00
18 September 2019	Thokoza	Thokoza Youth Centre	52,54,56 & 57	18:00
18 September 2019	Brakpan	3 rd floor Hall, Admin Block	31, 97, 105	18:00
19 September 2019	Tsakane	Tsakane Community Hall	81,82,83,84,85,99,112	18:00
19 September 2019	Germiston	Dinwiddie Hall	21, 35,36,37, 39, 41, 42 92, 93	18:00
19 September 2019	Edenvale	Edenvale Community Hall	10,11,12,18,19,20, 92	18:00
01 October 2019	Boksburg	Boksburg Civic Hall	22, 23, 32, 33, 34, 43	18:00
01 October 2019	Kempton Park	Dries Niemand Hall	13,15,16,17,25,91,104	18:00
01 October 2019	Springs	Springs Supper Hall	72.74.75.76	18:00

The 2020/2021 reviewed IDP and the 2020/2021 MTREF would be tabled in Council for public comments in March 2020. Documents on the 2020/2021 reviewed IDP and the 2020/2021 MTREF will be published for comments from during April 2020. Hard copies will be made available at all Ekurhuleni libraries and pay points as well as on the Ekurhuleni website supported by a dedicated email where comments could be submitted.

Community meetings on the draft IDP and Budget will take place from the 31st of March 2020 to the 8th of April 2020. In total 20 community meetings and one Business Forum would be held over the period and the following table reflects the schedule of meetings that will take place over the period. This schedule may be changed due to the factors beyond the City's control. However, affected communities will be informed beforehand should such changes occur.

2.1.5 Overview of alignment of annual budget with IDP

Municipalities in South Africa are required to develop 5 year strategic plans (IDP) which are reviewed annually. The IDP must align the resources and the capacity of a municipality to its overall development aims and guide the budget of the municipality.

The alignment of the budget with the IDP has been achieved through the development of the City's IDP Strategic Objectives which are aligned to the City's long term plan (GDS 2055). The GDS 2055 is itself aligned to Provincial and National Plans (including the National Outcomes as outlined in the MTSF and the IUDF amongst other).

The IDP Strategic Objectives as follows:

GDS 2055	IDP Strategic Objectives
Re-urbanize: To achieve urban integration.	Strategic Objective 1 To promote integrated human settlements through massive infrastructure and services roll out.
Re-govern: To achieve effective cooperative governance.	Strategic Objective 2: To build a clean, capable and modernised local state.
Re Mobilize: To achieve social empowerment.	Strategic Objective 3: To promote safer, healthy and socially empowered communities.
Re-Generate:	Strategic Objective 4:

DATE	CCA	Time	Proposed Venue	Ward Number
31 March 2020	Brakpan	18:00	Indoor Sports Centre, Hall A	31, 97, 105
31 March 2020	Duduza	18:00	Monty Motloun Hall	111, 86, 87, 98
31 March 2020	Vosloorus	18:00	Vosloorus Civic Hall	44; 45; 46; 47; 64; 95, 107
31 March 2020	Tembisa 2	18:00	Olifantsfontein community Hall	1,2,3,7,89,100,102
01 April 2020	Etwatwa	18:00	Stompie Skhosana Hall	26,65,66,67, 109
01 April 2020	Springs	18:00	Springs Main Hall	72,74,75,76
01 April 2020	Boksburg	18:00	Reiger Park Community Hall	22, 23, 32, 33, 34, 43
01 April 2020	Edenvale	18:00	Edenvale Community Centre	10,11,12,18,19,20, 92
02 April 2020	Business Forum	10:00	Germiston Lapa	
02 April 2020	Nigel	18:00	Mackenzieville Community Hall	88,111
02 April 2020	Daveyton	18:00	Victor Ndlazilwana Hall	25,68, 69, 70, 71, 96
02 April 2020	Katlehong 2	18:00	Palm Ridge Hall	59,60,61,62,63,101,103,108
02 April 2020	Alberton	18:00	Alberton Town Hall (New Council Chamber)	37,38,53,58,94,106
07 April 2020	Tsakane	18:00	Tsakane Community Hall	81,82,83,84,85,99,112
07 April 2020	Tembisa 1	18:00	Rabasotho Hall	4,5,6,8,9,14, 90
07 April 2020	Katlehong 1	18:00	DH Williams Hall	40,48,49, 50, 51, 52,55, 107
07 April 2020	Kempton Park	18:00	Coen Scholtz Community Centre	13,15,16,17,25,91,104
08 April 2020	Kwathema	18:00	Kwathema Civic Hall	74,77,78,79,80,81
08 April 2020	Benoni	18:00	Actonville Community Hall	24,27,28,29,30,73, 110
08 April 2020	Germiston	18:00	Dinwiddie Hall	21, 35,36,37, 39, 41, 42 92, 93
08 April 2020	Thokoza	18:00	Sam Ntuli Indoor Sports Centre	52,54,56 & 57
To achieve environmental well-being.		To protect the natural environment and promote resource sustainability.		
Re-Industrialize: To achieve job creating economic growth.		Strategic Objective 5: To create an enabling environment for inclusive growth and job creation.		

Indicators (Outcome) together with targets for the IDP aligned to the 5 Strategic Objectives have been developed, including the outcome indicators as regulated by MFMA Circular 88: Municipal Circular on Rationalisation Planning and Reporting Requirements for the 2020/21 MTREF.

Output indicators as well as targets that will address the outcome indicators in the IDP have been developed in the 2020/21 SDBIP; including output indicator as regulated by MFMA circular 88. An attempt has been made in the 2020/2021 SDBIP to align all the indicators to the budget and/projects that are funded in the 2020-2023 MTREF; to ensure that the budget funds the priorities in the IDP. The funding of the ward priorities through the budget is also an indication of the alignment of the budget to community development priorities

Table 32 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

EKU Ekurhuleni Metro - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
NATIONAL OUTCOME 12 - AN EFFICIENT, EFFECTIVE AND DEVELOPMENT-ORIENTED PUBLIC SERVICE AND AN		1 244	1 145	1 584	1 584	1 584	1 145	1 207	1 272
NATIONAL OUTCOME 11 - CREATE A BETTER SOUTH AFRICA AND CONTRIBUTE TO A BETTER AND SAFER AFRICA AND	(36 046)	12 266	11 336	19 723	21 505	21 505	19 748	17 801	11 384
NATIONAL OUTCOME 10 - ENVIRONMENTAL ASSETS AND NATURAL RESOURCES THAT ARE WELL	9 436	1 548 977	1 760 597	80 823	80 823	80 823	1 679 781	1 377 802	1 495 246
NATIONAL OUTCOME 9 - A RESPONSIVE, ACCOUNTABLE, EFFECTIVE AND EFFICIENT LOCAL GOVERNMENT SYSTEM	7 458 859	8 236 032	8 459 864	11 972 864	11 908 948	11 908 948	9 622 826	10 473 843	11 450 346
NATIONAL OUTCOME 8 - SUSTAINABLE HUMAN SETTLEMENTS AND IMPROVED QUALITY OF HOUSEHOLD LIFE	2 411 024	2 047 318	2 191 324	2 423 319	2 881 520	2 881 520	2 618 596	3 075 561	3 537 563
NATIONAL OUTCOME 7 - VIBRANT, EQUITABLE AND SUSTAINABLE RURAL COMMUNITIES WITH FOOD SECURITY FOR ALL	(317)	2 330 304	1 964 796	2 156 393	2 156 393	2 156 393	2 344 027	2 553 581	2 776 205
NATIONAL OUTCOME 6 - AN EFFICIENT, COMPETITIVE AND RESPONSIVE ECONOMIC INFRASTRUCTURE NETWORK	21 107 555	19 273 897	21 327 103	24 347 159	24 489 167	24 489 167	26 951 546	29 258 783	31 893 367
NATIONAL OUTCOME 5 - A SKILLED AND CAPABLE WORKFORCE TO SUPPORT AN INCLUSIVE GROWTH PATH	8 880	10 797	9 453	37 732	42 461	42 461	25 132	25 132	25 132
NATIONAL OUTCOME 4 - DECENT EMPLOYMENT THROUGH INCLUSIVE ECONOMIC GROWTH	36 339	379 331	211 531	47 675	47 675	47 675	787 818	410 295	267 779
NATIONAL OUTCOME 3 - ALL PEOPLE IN SOUTH AFRICA ARE AND FEEL SAFE	370 229	345 251	877 678	339 690	805 290	805 290	825 158	864 491	708 606
NATIONAL OUTCOME 2 - A LONG AND HEALTHY LIFE FOR ALL SOUTH AFRICANS	165 026	347 817	426 113	164 015	164 066	164 066	275 611	271 279	91 689
Allocations to other priorities									
Total Revenue (excluding capital transfers and contributions)	31 530 986	34 533 234	37 240 940	41 590 975	42 599 432	42 599 432	45 151 389	48 329 774	52 258 588

Table 33 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

EKU Ekurhuleni Metro - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
National Outcome 12 - An Efficient, Effective And Development-Oriented Public Service And An Empowered, Fair And Inclusive Citizenship	286 693	301 478	357 730	279 666	264 226	264 226	267 406	282 928	299 677
National Outcome 11 - Create A Better South Africa And Contribute To A Better And Safer Africa And World	728 461	867 854	694 491	747 535	744 785	744 785	804 299	856 796	908 974
National Outcome 10 - Environmental Assets And Natural Resources That Are Well Protected And Continually Enhanced	937 370	1 035 797	1 138 173	1 189 081	1 096 286	1 096 286	1 222 851	1 312 693	1 408 210
National Outcome 9 - A Responsive, Accountable, Effective And Efficient Local Government System	1 731 825	3 410 303	6 039 516	4 683 891	5 180 308	5 180 308	5 658 318	6 483 585	7 060 944
National Outcome 8 - Sustainable Human Settlements And Improved Quality Of Household Life	1 752 908	1 796 254	2 060 309	1 458 179	1 863 510	1 863 510	1 477 618	1 765 611	2 035 193
National Outcome 7 - Vibrant, Equitable And Sustainable Rural Communities With Food Security For All	–	1 277 407	1 173 294	1 355 869	1 240 247	1 240 247	1 401 414	1 490 845	1 586 405
National Outcome 6 - An Efficient, Competitive And Responsive Economic Infrastructure Network	21 332 177	20 161 816	22 343 874	24 515 057	24 521 394	24 521 394	26 698 242	28 830 833	31 282 270
National Outcome 5 - A Skilled And Capable Workforce To Support An Inclusive Growth Path	122 773	183 835	185 819	217 117	220 359	220 359	226 605	243 553	261 840
National Outcome 4 - Decent Employment Through Inclusive Economic Growth	295 838	300 999	312 909	399 459	356 460	356 460	357 664	350 485	363 289
National Outcome 3 - All People In South Africa Are And Feel Safe	2 283 126	2 645 957	2 762 951	2 898 535	3 329 205	3 329 205	3 474 005	3 744 928	4 037 904
National Outcome 2 - A Long And Healthy Life For All South Africans	879 978	893 859	951 417	1 061 642	1 049 077	1 049 077	1 114 114	1 198 780	1 274 929
Allocations to other priorities									
Total Expenditure	30 351 149	32 875 559	38 020 482	38 806 031	39 865 858	39 865 858	42 702 536	46 561 037	50 519 637

Table 34 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure**EKU Ekurhuleni Metro - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)**

Strategic Objective	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
National Outcome 12 - An Efficient, Effective And Development-Oriented Public Service And An Empowered, Fair And Inclusive Citizenship	–	–	–	144 011	132 173	132 173			
National Outcome 11 - Create A Better South Africa And Contribute To A Better And Safer Africa And World	–	–	–	240	220	220	10 000	10 000	10 000
National Outcome 10 - Environmental Assets And Natural Resources That Are Well Protected And Continually Enhanced	–	10 380	–	529 800	486 250	486 250	194 500 000	128 000 000	83 000 000
National Outcome 9 - A Responsive, Accountable, Effective And Efficient Local Government System	1 678 397	1 449 765	1 686 547	2 495 530	2 290 398	2 290 398	1 045 150 798	868 206 000	719 380 000
National Outcome 8 - Sustainable Human Settlements And Improved Quality Of Household Life	2 744 349	1 114 833	2 370 603	1 544 169	1 417 407	1 417 407	818 889 018	793 769 052	878 318 185
National Outcome 7 - Vibrant, Equitable And Sustainable Rural Communities With Food Security For All	–	137 744	–	128 000	117 478	117 478			
National Outcome 6 - An Efficient, Competitive And Responsive Economic Infrastructure Network	–	2 468 520	1 302 625	1 830 837	1 680 342	1 680 342	3 289 929 545	3 020 092 551	3 154 948 042
National Outcome 5 - A Skilled And Capable Workforce To Support An Inclusive Growth Path	–	1 325	–	150	138	138	150 000	150 000	150 000
National Outcome 4 - Decent Employment Through Inclusive Economic Growth	115 047	145 546	333 350	193 300	177 411	177 411	191 500 000	176 500 000	64 400 000
National Outcome 3 - All People In South Africa Are And Feel Safe	128 318	286 342	114 134	522 220	479 294	479 294	267 700 000	239 000 000	210 350 000
National Outcome 2 - A Long And Healthy Life For All South Africans	35 923	86 784	89 723	28 950	26 570	26 570	6 850 000	11 550 000	5 850 000
National Outcome 1 - Improved Quality Of Basic Education		30 589	85 986	–	–	–			
Allocations to other priorities									
Total Capital Expenditure	4 702 035	5 731 827	5 982 968	7 417 207	6 807 681	6 807 681	5 814 679 361	5 237 277 603	5 116 406 227

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the metro has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Table 35 MBRR Table SA7 - Measurable performance objectives

Description	Unit of measurement	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
City Planning										
HS2.22 Average number of days taken to process building plan applications	Number	0	0	24 days	30 days	30 days	30 days	30 days	30 days	30 days
Number of townships regularized	Number	5	39	8	15	0	0	6	6	6
Percentage of development planning applications finalized in accordance with the approved MSDP	Percentage	94%	100%	100%	96%	0%	0%	98%	98%	98%
% of dolomitic land unlocked	Percentage	80%	90%	100%	90%	0%	90%	90%	90%	90%
Energy										
EE1.11 Number of dwellings provided with connections to mains electricity supply by the municipality	Number	0.00		1842.00		0.00				
EE3.11 Percentage of unplanned outages that are restored to supply within industry standard timeframes	Percentage	0%	75%	75%	75%	0%	75%	75%	75%	75%
EE3.21 Percentage of planned maintenance performed	Percentage	0%	90%	90%	90%	0%	90%	90%	90%	90%
EE4.12 Installed capacity of approved embedded generators on the municipal distribution network	MW	0	2MW	1,3539MW	1MW	0	1MW	0.85MVA	0.85MVA	0.85MVA
Number of high mast lights installed	Number	80	0	55	0.8	0	0.8	80	80	80
Number of street lights installed	Number	600	1585	90	600	0	600	600	600	600
Percentage down time of network availability	Percentage	0.8%	0.8%	1%	0.8%	0%	0.8%	0.8%	0.8%	0.8%
Percentage total electricity losses	Percentage	11%	12%	11.99%	12%	12.8%	12.8%	12.8%	12.8%	12.8%
Number of PV Solar lighting units installed in informal settlements	Number	15000	12810	10045	10000	0	10000	10000	10000	10000
Environmental Resource and Waste Management Services										
ENV 3.11 Percentage of known informal settlements receiving integrated waste handling services	Percentage	100%	100%	100%	100%	0%	100%	100%	100%	100%
ENV 4.11 Percentage of biodiversity priority areas within the metro	Percentage	0%	0%	36%	36%	0%	36%	36%	36%	36%
ENV 4.21 Proportion of biodiversity priority areas protected	Percentage	0%	0%	1%	1%	0%	1%	1%	1%	1%
Cleanliness level of Ekurhuleni Metro central business district (CBD) areas as determined by WMS Gauteng Waste Standards	Level	Level 2	Level 2	Level 1	Level 3	0	Level 3	Level 3	Level 3	Level 3
Number of formal households with access to refuse removal	Number	674385	682541	701645	701645	718655	718655	718655	718655	718655
Number of parks upgraded.	Number	5	5	1	5	0	5	5	5	5
Number of cemeteries upgraded	Number	5	5	1	4	0	4	6	6	6
Human Settlements										
HS 1.12 Number of formal sites serviced	Number	0	7006	2814	2001	206	206	2209	2209	2209
Number of title deeds issued to beneficiaries	Number	0	3544	445	4000	0	4000	4000	4000	4000
Number of informal settlements provided with interim services	Number	119	118	119	119	0	119	119	119	119
Roads and Storm Water										
TR6.11 Percentage of unsurfaced roads upgraded	Percentage	0%	0%	111.50%	100%	0%	100%	50%	50%	50%
TR6.12 Percentage of surfaced municipal road lanes which have been resurfaced and resealed	Percentage	0%	0%	114%	100%	0%	100%	2%	2%	2%
KM of roads constructed	KM	67	41.123	8401	21.6 KM	17.8 KM	17.8 KM	21.26KM	21.26KM	21.26KM
KM of road network maintained	KM	1332	3715.079	509.4496336	2840 KM	2480 KM	2480 KM	2440KM	2440KM	2440KM
Number of systems added to the existing stormwater network	Number	64	83	17	23	0	23	21	21	21
Number of Stormwater systems maintained	Number	6500	12180	2701	11000	0	11000	10000	10000	10000
KM of Non-motorized transport network expanded	KM	0	0	11.401	16.02KM	0	16.02KM	21.55KM	21.55KM	21.55KM

City of Ekurhuleni – 2020/21 – 2022/23 Draft Medium Term Revenue and Expenditure Framework

Description	Unit of measurement	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Transport and Fleet Management										
Length of pedestrian and cyclist paths completed (NMT)	KM	11	4.72	3.039 km	5 KM	0	5 KM	5KM	5KM	5KM
Water and Sanitation										
WS2.11 Number of new water connections meeting minimum standards	Number	0	2284	2314	1500	0	1500	1500	1500	1500
WS3.11 Percentage of complaints/callouts resolved within 48 hours (Sanitation/Waste water)	Percentage	0%	0%	96%	90%	0%	90%	90%	90%	90%
WS3.21 Percentage of Complaints/Callouts resolved within 48 hours (water)	Percentage	0%	0%	97%	90%	0%	90%	90%	90%	90%
WS5.31 Water connections metered as a percentage of total connections	Percentage	0%	0%	92.70%	93.00%	0%	93.00%	93.00%	93.00%	93.00%
KM of water and sewer pipes replaced, upgraded and extended	KM	50	41.75	17235	10 KM	6 KM	6 KM	7.5	7.5	7.5
Number Reservoirs constructed	Number	20	45ML	2	4	3	3	4	4	4
Percentage reduction in Non-Revenue Water (NRW)	Percentage	34%	32%	33.3%	32.45%	0%	32.45%	31.65%	31.65%	31.65%
% compliance with Blue drop standards	Percentage	>95%	>95%	>95%	>95%	0%	>95%	>95%	>95%	>95%
Disaster Management & Emergency										
FE1.11 Percentage compliance with the required attendance time for structural firefighting incidents	Percentage	75%	77%	81%	66%	0%	66%	66%	66%	66%
Number of fire stations constructed	Number	2	1		1	0	1	1	1	1
EMPD										
Number of planned by-law enforcement policing operations implemented	Number	60	119	30	60	80	80	100	100	100
Number of interventions implemented to reduce crime and related incidents	Number	80	390	108	360	0	360	360	360	360
Percentage increase in road policing operations	Percentage	10%	10%	15.87%(1615609)	10%	0%	10%	10%	10%	10%
Percentage decrease in road fatalities	Percentage	2%	-53%	17.6%(466)	2%	0%	2%	2%	2%	2%
Health and Social Development										
ENV 1.3 Percentage of households experiencing a problem with noise pollution	Percentage	0%	0%	0.00001539	0.013%	0%	0.013%	0.012%	0.012%	0.012%
Percentage of babies tested HIV-positive (PCR) around 10 weeks	Percentage	<2.11%	<0.7%	1%	<2%	0%	<2%	<2%	<2%	<2%
Number of new indigent households approved	Number	5300	10369	3543	9000	0	9000	10000	10000	10000
SRAC										
Number of SRAC school activities/programmes implemented	Number	16	41	6	18	0	18	18	18	18
Real Estate										
Number of land parcels released for developments city wide	Number	15	557	167	25	0	25	25	25	25
City Manager										
GG 3.1 Audit Opinion	Audit Opinion	Unqualified	Unqualified	0	Unqualified without findings	0	Unqualified without findings	Unqualified without findings	Unqualified without findings	Unqualified without findings
GG 3.11 Number of repeat audit findings	Number	0	0	0	55	0	55	55	55	55
Financial Services										
HS2.21 Percentage of rateable residential properties in the subsidy housing market entering the municipal valuation roll	Percentage	0%	0%	100%	100%	0%	100%	100%	100%	100%
GG 6.11 Percentage of the municipality's operating budget spent on free basic services to indigent households	Percentage	0%	0%	2.4%	9.21%	7.42%	7.42%	3%(5.71%)	3%(5.71%)	3%(5.71%)
% of Billed Amounts Collected	Percentage	94%	93%	89.56%	94%	0%	94%	94%	94%	94%
% of tenders completed within the valid period (120 days from date of close of advert)	Percentage	85%	89%	90.91%	90%	0%	90%	90%	90%	90%
Human Resource Management and Development										
GG 1.21 Staff vacancy rate	Percentage	0%	0%	≤12.22 %	≤20 %	0%	≤20 %	≤20 %	≤20 %	≤20 %
GG5.11 Number of active suspensions longer than three months	Number	0	0	0	15	0	15	≤15%	≤15%	≤15%
GG5.12 Quarterly salary bill of suspended officials -	Rand	0	0	657227	≤R5.6M	0	≤R5.6M	≤5.6M	≤5.6M	≤5.6M

City of Ekurhuleni – 2020/21 – 2022/23 Draft Medium Term Revenue and Expenditure Framework

Description	Unit of measurement	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Legislature										
GG 2.11 Percentage of ward committees with 6 or more ward committee members (excluding the ward councillor)	Percentage	0%	0%	98%	98%	0%	98%	96%	96%	96%
GG 2.12 Average number of councillor-convened community meetings per ward	Percentage	0%	0%	104%	85%	0%	85%	55%	55%	55%
GG 4.11 Number of agenda items deferred to the next council meeting	Number	0	0	0 <10		0 <10	<10	<10	<10	<10
GG3.12 Percentage of councillors who have declared their financial interests	Percentage	0%	0%	100%	100%	0%	100%	100%	100%	100%
Number of Functional Section 79 Committees	Number	19	18	18	18	0	18	18	18	18
Percentage functionality of ward committees	Percentage	11200%	99%	98%	98%	0%	98%	96%	96%	96%
Corporate Legal Services										
Number of the Municipality By-laws reviewed	Number	0.4	24	1	4	0	4	4	4	4
Communications and Brand Management										
Number of Brand Visibility interventions implemented	Number	12	17	2	8	0	8	8	8	8
Number of media analysis reports developed	Number	41	12	3	4	0	4	4	4	4
Enterprise-wide Project Management Office										
Project Management maturity level	Level	3	3	3	3	0	3	3	3	3
Percentage capex spend against the budget for capital projects allocated to CoE departments	Percentage	95%	89%	66%	95%	0%	95%	95%	95%	95%
ICT										
KM of (fibre) broadband installed and commissioned	KM	200	150.41	75km	200KM	0	200KM	200KM	200KM	200KM
Number of Wi-Fi hotspots /nodes provided with Wi-Fi	Number	200	0	202	200	0	200	200	200	200
Number of ERP modules implemented	Number	5	6	3	20	0	20	20	20	20
Internal Audit										
% of forensic investigations finalized	Percentage	60%	67%	60.53%	60%	0%	60%	60%	60%	60%
% completion of the approved internal audit plan	Percentage	90%	67%	207.41 %	100%	0%	100%	100%	100%	100%
Risk Management										
Level of CoE compliance maturity recorded	Number	0	4	3.8	4	0	4	4	4	4
Office of the COO										
Percentage of customer queries resolved in accordance with Ekurhuleni Service Standards	Percentage	85%	95%	94%	93%	0%	93%	93%	93%	93%
Economic Development										
GG 6.12 Number of work opportunities created through EPWP, CWP and other related infrastructure programmes	Number	18000	2158	2636	15000	14000	14000	14000	14000	14000
Number of Tertiary Bursary recipients benefiting from the City of Ekurhuleni's Community Bursary Scheme	Number	0	502	1080		0				
Number Of Young People benefiting from Community Skills Programme	Number	0	1559	542	1000	700	700	1000	1000	1000
Rand value of projects allocated to emerging contractors	Rand	0	49658308.18	R39 769 148.35	100000000	48000000	48000000	50000000	50000000	50000000
Rand value generated by EFPM	Rand	R19 m	23230160.44	R6 147 797.23	26400000	0	26400000	26400000	26400000	26400000
Rand value of investment attracted	Rand	R7 bn	4059230	5170000000	6 Billions	0	6 Billions	6 Billion	6 Billion	6 Billion

The following table sets out the City of Ekurhuleni main performance objectives and benchmarks for the 2020/21 MTREF.

Table 36 MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	4.3%	4.3%	3.5%	5.3%	2.7%	5.2%	5.2%	3.3%	3.2%	3.1%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	5.2%	4.9%	4.2%	6.0%	3.1%	5.9%	5.9%	3.7%	3.6%	3.5%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	1.5	1.2	1.1	1.7	–	1.2	1.2	1.1	1.1	1.1
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.5	1.2	1.1	1.7	–	1.2	1.2	1.1	1.1	1.1
Liquidity Ratio	Monetary Assets/Current Liabilities	0.7	0.4	0.4	1.1	–	0.6	0.6	0.6	0.6	0.6
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		92.7%	94.2%	91.1%	93.3%	-6.7%	86.6%	86.6%	75.5%	78.1%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		92.7%	94.2%	91.2%	93.3%	-6.7%	86.6%	86.6%	75.5%	78.1%	77.8%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	18.9%	21.1%	17.5%	13.6%	0.0%	13.2%	13.2%	11.5%	9.9%	10.5%
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	84.0%	85.0%	84.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Creditors to Cash and Investments		106.2%	196.5%	210.7%	108.7%	0.0%	138.2%	138.2%	148.1%	130.8%	124.2%
Employee costs	Employee costs/(Total Revenue - capital revenue)	20.8%	22.8%	24.1%	24.8%	24.1%	24.1%	24.1%	24.3%	24.2%	24.2%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	21.2%	23.2%	24.5%	25.2%	24.4%	24.4%		24.7%	24.6%	24.5%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	7.1%	6.5%	7.0%	7.8%	7.0%	7.0%		7.3%	7.2%	7.1%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	10.1%	10.6%	10.1%	8.5%	8.3%	8.3%	8.3%	8.7%	8.4%	8.2%
<u>IDP regulation financial viability indicators</u>											
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	24.7%	28.9%	23.4%	17.5%	0.0%	17.5%	17.5%	15.1%	12.9%	13.7%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	2.9	1.6	1.3	2.1	(0.4)	1.6	1.6	1.6	1.7	1.7

2.3.1 Performance indicators and benchmarks

• 2.3.1.1 Borrowing Management

- Capital expenditure in local government can be funded by capital grants, own-source revenue and long-term borrowing. The ability of a municipality to raise long-term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, City of Ekurhuleni borrowing strategy is primarily informed by the infrastructure needs and affordability of debt repayments. The structure of the metro's debt portfolio is dominated by municipal bonds. The following financial performance indicators have formed part of the compilation of the 2020/21 MTREF.

- Capital charges to operating expenditure is a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing is slightly increasing is 3.3% in 2020/21. The stable percentage is maintained despite the fact that Council's capital budget is increasing significantly over the MTREF period.
- Capital charges to Own Revenue is a measure of the cost of borrowing in relation to the Own Revenue. It can be seen that the cost of borrowing will decrease from 5.9% to 3.5% over 2020/21 MTREF.

2.3.1.2 Safety of Capital

- The gearing ratio is a measure of the long-term borrowings (non-current) over funds and reserves.

2.3.1.3 Liquidity

- Current ratio is a measure of the city's ability to pay short-term obligations with its short-term assets. The higher the ratio, the better the metro's ability to adhere to its short-term obligations.
- The liquidity ratio is a measure of the ability of the city to utilise cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations

2.3.1.4 Revenue Management

- The annual debtors' collection rate indicates the percentage payment levels of the metro. It indicates at what levels the metro receives payments owed, in terms of receivables, from its customers. It is also used to establish whether credit control has been efficiently managed.

2.3.1.5 Creditors Management

- The efficiency ratio is predicted to improve to 90% as a results from the capacity building programme in the Supply Chain Management Division.

2.3.1.6 Other Indicators

- The electricity distribution losses, as per the audited financial statements, were as follows:
 - 2015/16– 15.64%
 - 2016/17– 15.64%
 - 2017/18 –12.39 %
 - 2018/19 – 11.95%

It is forecasted at a rate of 10% for the MTREF period until 2022/23

- The water distribution losses, as per the audited financial statements, were as follows:
 - 2015/16– 30.60%
 - 2016/17 – 30.60%
 - 2017/18 – 30.57%
 - 2018/19 – 28.45%

It is forecasted at a rate of 30% for the MTREF period until 2022/23.

- Employee costs and remuneration as a percentage of revenue (excluding capital Revenue) remains steady over the MTREF period. The averages of the ratios are 24.3% respectively over the MTREF period.
- Repairs and maintenance as a percentage of revenue (excluding capital revenue) needs to be at an appropriate level to ensure that capital assets remain efficient and perform and an optimal level. The average ratio is 7.3% over the MTREF period.
- Finance charges and depreciation as a percentage of revenue (excluding capital revenue) is dependent on borrowing, interest rate levels, and the rate of depreciation of capital assets. As a result of the reduction in borrowings, the rate decreases from 8.3% in 2019/20 to 8.2% over the MTREF.

2.3.1.7 IDP regulation financial viability indicators

- Debt Coverage is the coverage of revenue (excluding operating grants) over debt-service and is an indication of the metro's ability to meet annual interest and principle payments on debt. The coverage is expected to be 33.2% in 2020/21.
- Outstanding service debtors to revenue ratio is an indication of what percentage of revenue is in outstanding service debtors. This is also an indicator of the city's +effectiveness in managing credit control and debt collection. The lower the ratio, the more effective the management of receivables. The ratio is estimated to be 15.1% in 2020/21 and is expected to move to 12.9% in 2021/22.
- Cost coverage is an indication of the City's ability to cover fixed operational expenditure with its cash and investment balances. The higher the ratio, the higher the ability. The ratio is estimated at 1.6% in 2020/21 and is expected to be at 1.7% over the MTREF period.

2.3.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the City.

For the 2020/21 financial year, 165 000 registered indigents have been provided for in the budget which includes the deemed indigents.

In terms of the municipality's Indigent Policy, registered indigent households are entitled to 9 kl free water, 100 kWh of electricity, 9 kl sanitation and free waste removal equivalent to a residential once a week service, and a full rebate on their property rates.

Further detail relating to the number of households receiving FBS, the cost of FBS, highest level of FBS and revenue cost associated with FBS is contained in Table 31 MBRR A10 (Basic Service Delivery Measurement) on page 80.

2.4 Overview of budget-related policies and By-Laws

The city's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

The entire set of budget-related policies can be viewed on the City of Ekurhuleni website: <http://www.ekurhuleni.gov.za>

LIST OF BUDGET RELATED POLICIES AND BY-LAWS

BY-LAWS

- Annexure D01 Credit Control and Debt Collection (new)
- Annexure D02 Property Rates (new)

POLICIES

- Annexure D1 Medium - term Budget Statement Policy (reviewed)
- Annexure D2 Pricing Policy Statement (reviewed)
- Annexure D3 Property Rates Policy (reviewed)
- Annexure D4.1 Provision of Free Basic Electricity Policy (reviewed)
- Annexure D4.2 Provision of Free Basic Water Supply Services (reviewed)
- Annexure D5 Waste Management Tariff Policy (reviewed)
- Annexure D6 Consumer Deposit Policy (reviewed)
- Annexure D7 Indigent Support Policy (reviewed)
- Annexure D8 Credit Control & Debt Collection Policy (reviewed)
- Annexure D9 Provision for Doubtful Debt and Debt Write-Off Policy (reviewed)
- Annexure D10 Budget Implementation and Monitoring Policy (reviewed)
- Annexure D11 Municipal Entity Financial Support Policy (reviewed)
- Annexure D12 Accounting Policy (reviewed)
- Annexure D13 Electricity Metering for Residential and business Customers (reviewed)
- Annexure D14 Policy for the vending of pre-paid electricity (reviewed)
- Annexure D15 Policy for Correction of Meter Reading and Billing Data (reviewed)
- Annexure D16 Electricity Tariff Policy (reviewed)
- Annexure D17 Virements Policy (reviewed)
- Annexure D18 Consumer Agreement (reviewed)
- Annexure D19 Supply Chain Management Policy (reviewed)
- Annexure D20 Treasury Policy (reviewed)
- Annexure D21 Allocation of Grant-in Aid (reviewed)
- Annexure D22 Asset Management Policy (reviewed)
- Annexure D23 Cost Containment Policy (new)
- Annexure D24 Policy for the wheeling of Electricity (new)
- Annexure D25 Policy guideline for Small-scale Embedded generation (new)

The following is a summary of the changes on the policies and By-Laws

SUMMARY OF CHANGES	
Existing Policy	Revised Policy

Annexure D1 – MEDIUM TERM POLICY	
Minor Changes	
Annexure D2 - PRICING POLICY	
<p>Metro</p> <p>5. VARIOUS CATEGORIES OF PRICING</p> <p>The exception will be the indigent category where a person will qualify for grants, rebates and free basic services based on the indigent status as soon as the person has been approved as indigent and included in the formal indigents register of Council.</p> <p>Insert new paragraph</p>	<p>City</p> <p>The exception will be approved and deemed indigent category where a person or property will qualify for grants, rebates and free basic services based on status or residential property value.</p> <p>Households within the following categories of properties will be deemed to be indigent households, if -:</p> <ul style="list-style-type: none"> (a) the property is used for residential purposes only as reflected in General Valuation roll; (b) residential exclusion as per Property Rates Act 2004 (Act No 6 of 2004) is applicable to property; (c) municipal value of property does not exceed maximum value R150 000. <p>Households within City of Ekurhuleni listed Un-proclaimed Townships will be deemed to be indigent households, if:</p> <ul style="list-style-type: none"> (a) Property identified as Un-proclaimed Township not registered in Deeds Office. (b) Proclaimed property is registered in name of City of Ekurhuleni and included in general valuation roll. (c) Provisional value of individual developed residential property, as determined by City of Ekurhuleni municipal valuer, will not exceed maximum value of R 150 000 on date of valuation. (d) Account in respect of Basic Services is held with Council in the name of the household;
6. ASSESMENT RATES PRICING	
Existing Policy	
Average Monthly earnings in respect of preceding 12 months.	
R0.00 to R 3 440.00	

(2 x State pensions when amended)	100 % rebate on property rates
R3,440.01 to R7,350.00	85% rebate on property rates
R7,350.01 to R10,750.00	70% rebate on property rates
R10,750.01 to R11,900.00	55% rebate on property rates
R11,900.01 to R17,800.00	40% rebate on property rates
Revised Policy	
Average Monthly earnings in respect of preceding 12 months.	
R0.00 to R 3,560.00 (2 x State pensions when amended)	100 % rebate on property rates
R3,560.01 to R7,440.00	85% rebate on property rates
R7,440.01 to R11,160.00	70% rebate on property rates
R11,160.01 to R14,880.00	55% rebate on property rates
R14,880.01 to R18,600.00	40% rebate on property rates
Annexure D3 – PROPERTY RATES	
2. DEFINITIONS Insert New Paragraphs	<p>“Category” Means the category in relation to properties for the purpose of levying different rates, and category in relation to different owners of properties for the purpose of granting exemptions, rebates and reductions. Legal</p> <p>“Child Headed Households” Is deemed to be a household that is headed by a minor dependent or child under the age of 18 years who has assumed the role of care-giver in respect of the children in the household and is also responsible for management of such households, due to the parent/s guardian or care-giver of the household who was the registered owner/ account holder/ legal tenant of the property who is terminally ill, deceased or abandoned the children in that household. Legal: Indigent Policy</p> <p>“Relief” means exemptions, reductions or rebates that may be granted by the City in terms of this Policy. Legal</p>
3.3 STRATEGIC FOCUS There is no (g) in the section Insert paragraph(g)	(g) in developing or amending this policy, the Council commits itself to a process of community participation as envisaged in section 4 of the Act and chapter 4 of the Municipal Systems Act, 2000 (Act No 32 of 2000) (MSA). In addition to the requirements laid down in the MSA, the Council will engage interested parties and structures, such as

	<p>ratepayer organisations, directly in the process of community participation. In addition, use will be made of established community consultation structures, such as Ward committees, to ensure thorough participation with regard to the aforementioned process.</p> <p style="text-align: right;">Legal</p>
<p>3.4 OBJECTIVES OF THE POLICY</p> <p>There is no (f) in the section – insert point (f) or renumber the section</p> <p>(f) not discourage the development of property</p> <p>(g) ensure that all persons liable for rates are treated equitably as required by the Act.</p>	<p>(f) encourage the development of property;</p> <p>(g) ensure that all persons liable for rates are treated fairly and equitably as required by the Act.</p> <p style="text-align: right;">Legal</p>
4.2 The Council has determined the following categories of property for purposes of rating:	<p>4.2 The Council in terms of section 8 of the Act has determined the following categories of property for purposes of rating:</p> <p style="text-align: right;">Legal</p>
4.3 The Council may determine additional categories of rateable property, provided that the determination of such property categories does not circumvent the categories of rateable property that must be determined in terms of subsection of the act	<p>4.3 The Council may determine additional categories of rateable properties, provided that such determination in relation to property does not circumvent the categories of rateable property that must be determined in terms of subsection 4.2 of this policy and section 8 of the Act</p> <p style="text-align: right;">Legal</p>
4.4 The Council has determined the following ratios relevant to each category to the rate on residential properties for purposes of tariff rating	<p>4.4 The Council has determined the following ratios in accordance with each category of property and to the rate on residential properties for purposes of tariff rating.</p> <p style="text-align: right;">Legal</p>
<p>7. MULTIPURPOSE PROPERTIES</p> <p>7.1 Where two thirds or more of a property is used for residential purposes, the whole property will be placed in the residential category. The two third dominant use will apply. If</p>	<p>7.1 (a) Where two thirds or more of a property is used for residential purposes, the entire property will be placed in the residential category. The two third dominant use will apply.</p> <p>(b) If more than one third is used for purposes other than residential, the entire property will be</p>

more than one third is used for purposes other than residential, the entire property will be placed in the use category applicable to more than one third uses.	placed in the use category applicable to more than one third uses. Legal - Amended
9.2 The Council may determine other categories of owners of property for purposes of exemptions, reductions, rebates and differential rating as the Council may from time to time identify.	9.2 The Council may from time to time determine and identify other categories of owners of property for purposes of exemptions, reductions, rebates and differential rating.
10. CRITERIA FOR EXEMPTIONS, REDUCTIONS AND REBATES Insert point (d)	(d) Social or economic conditions of the property owner. Legal
11.2 INDIGENT OWNERS The Council has adopted an Indigent Support Policy that provides for the alleviation of the rates burden on the low income sectors of the community within the Municipality. Owners of property who qualify for the assistance provided by his Policy must make application to access the relief provided.	(a) The Council has adopted an Indigent Support Policy that provides for the alleviation of the rates burden on the low income sectors of the community within the Municipality. (b) Owners of property who qualify for the assistance provided under the Indigent Support Policy are required to make application to access the relief provided. (c) Owners must occupy property in order to qualify for relief. (d) The relief sought will be granted based on the property value as per published property valuation roll Legal – Amended
13.1 LIABILITY FOR RATES: The last bullet is empty	Remove last bullet
13.5 PAYMENT AND RECOVERY OF RATES: Payment and recovery of rates shall be in accordance with Council's relevant policies and by laws.	Payment and recovery of rates shall be in accordance with Council's relevant policies and by-laws.
Annexure D4.1 - PROVISION OF FREE BASIC ELECTRICITY AND Annexure D4.2 - PROVISION OF FREE BASIC WATER SUPPLY SERVICES POLICY	
Minor Changes	

Annexure D5 - WASTE MANAGEMENT POLICY	
CONTENTS	
5.2 and 7, EMM	Changed to CoE
3. Definitions	Added CoE definition
6(a) (i) waste services	Waste management services
6.1 Waste management services costing model-bin size and frequency	
6(a)(iii) For those areas that the defined bin sizes are not yet implemented, the stand size based model continues to be used to determine the tariffs, until such time the 240l bin system is implemented.	6(A)(iii) All areas zoned residential are billed on a 240l bin system and where static compactors are in use each residential unit linked to the static compactor will be billed on a 240l bin system irrespective.
6.2 Replacement of 243-liter bin as a result of loss or damage	
6(b)(l) Where a wheeled bin is reported as stolen, the owner must approach the nearest Depot to re-apply for a replacement. (within 24hrs of theft) with a police case number.	6(b)(l) Where a wheeled bin is reported as stolen, the owner must approach the nearest Depot to re-apply for a replacement. (within 24hrs of theft) with an avadavat made from the police station.
6.(d) Added new paragraph on Dumping costs at Mini sites	<p>6.(d) Dumping costs at Mini sites</p> <p>(i) All small and medium enterprises involved in transportation and disposal of waste at mini-sites must be registered together with vehicle details used for such business.</p> <p>(ii) Residents using these facilities must produce a municipal account less than three months old to gain entry and free use of the facility notwithstanding clause 6(d)(iii).</p> <p>(iii) Customers using the mini sites would be charged zero tariff only on condition that they carry waste below 1.2 tones equivalent of a light delivery vehicle permitted on one delivery/disposal round. If a customer repeats disposal of similar weight within 24 hours of initial disposal will invite payment of stipulated tariff in the schedule.</p>
7. CUSTOMER CATEGORIES	
7.6 EMM entities	7.6 CoE Entities

Annexure D6 - CONSUMER DEPOSIT POLICY	
<p>Definitions</p> <p>“Chief Financial Officer” means the person appointed by the municipality as Chief Financial Officer of the City of Ekurhuleni in terms of section 56 of the Local Government : Municipal Systems Act, 2000 (Act 32 of 2000).</p> <p>Insert new paragraph</p>	<p>Definitions</p> <p>“Chief Financial Officer” means the person appointed by the municipality as Group Chief Financial Officer of the City of Ekurhuleni in terms of section 56 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).</p> <p>“Deposit” means a monetary amount raised by the Council in relation to the consumption of a municipal service and mitigation of credit risk to the Municipality, irrespective of the existence of an agreement.</p>
<p>2. CIRCUMSTANCES UNDER WHICH DEPOSITS MUST BE PAID</p> <p>Insert new paragraph</p>	<p>2.4 The payment of a consumer deposit is due and payable at –</p> <p>2.4.1 The time of application for municipal services,</p> <p>2.4.2 Date of transfer of property ownership in Central Deeds Office records,</p> <p>2.4.3 Any other time deemed necessary by Council</p>
<p>7. APPROPRIATION OF DEPOSIT</p> <p>Insert new paragraph</p>	<p>Deposit in respect of approved and deemed Indigents appropriated in terms of this policy, may be re-instated in the event of indigent deregistration.</p>
Annexure D7 – INDIGENT POLICY	
<p>Definitions</p> <p>INDIGENT PERSON: means a person lacking the basic necessities of life such as insufficient water, basic sanitation, refuse removal, health care, housing, environmental health, and supply of basic energy, food and clothing as defined in this policy.</p>	<p>INDIGENT PERSON: means a poor, needy person lacking the basic necessities of life such as insufficient water, basic sanitation, refuse removal, health care, housing, environmental health, supply of basic energy, food, clothing and has a lower income threshold as defined in this policy.</p>

<p>9.2 Deemed Indigent Household</p> <p>Households within City of Ekurhuleni listed Un-proclaimed Townships will be deemed to be indigent households, if:</p>	<p>Households within City of Ekurhuleni listed Un-proclaimed Townships will be deemed to be indigent households, if:</p> <p>NB Change in numbering</p>
<p>10. EXTENT OF INDIGENT SUPPORT</p> <p>10.1 Registered Indigent Household/Person</p> <p>(xii) Grass and tree cutting within property in respect of registered disabled and pensioners.</p>	<p>xii) Grass and tree cutting within property in respect of registered disabled and frail pensioner.</p>
<p>17. RIGHT TO APPEAL</p> <p>(c) The City Manager will appoint the chairperson of the Indigent Appeal Committee to be a person vested in Law outside of the City's employ.</p> <p>(e) The Appeal's committee shall consist of the following departments Health and Social Development, Finance and Corporate and Legal Services.</p>	<p>(c) The City Manager will appoint the chairperson of the Indigent Appeal Committee to be a person vested in Law in the City's employ. NB "Outside of" is Deleted</p> <p>Deleted</p>
<p>Annexure D8 – CREDIT CONTROL AND DEBT COLLECTION POLICY</p>	

<p>Definitions</p> <p>Insert Agent</p> <p>Chief Financial Officer - means the person appointed by the municipality as Chief Financial Officer of the City of Ekurhuleni in terms of section 56 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)</p> <p>City Manager - means the person appointed by the Municipality as the City Manager of the City of Ekurhuleni in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), and includes any person acting in such position and to whom the City Manager has delegated a power, function or duty</p>	<p>Definitions</p> <p>Agent - means a person authorized by the customer to act on his or her behalf</p> <p>Legal</p> <p>Chief Financial Officer - means the person appointed by the municipality as Group Chief Financial Officer of the City of Ekurhuleni in terms of section 56 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).: Municipal Systems Act, 2000 (Act 32 of 2000)</p> <p>AM</p> <p>City Manager - means the person appointed by the Municipality as the City Manager of the City of Ekurhuleni in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), responsible and accountable in terms of section 55(2) of the Local Government: Municipal Systems Act 2000 (Act 32 of 2000) and includes any person acting in such position and to whom the City Manager has delegated a power, function or duty.</p> <p>AM</p>
<p>3. APPLICATION OF POLICY</p> <p>3.2 This policy shall apply to municipal services provided through pre-paid meters</p>	<p>3.2 This policy shall apply to municipal services provided through conventional meter, re-paid meters or any other linked service</p> <p>Legal</p>
<p>3.5 Insert Paragraph</p>	<p>3.5 This Policy must be read in conjunction with the Credit Control and Debt Collection By-law. Where there is a conflict between this Policy and another By-law or Policy of the Municipality, this Policy prevails over the affected provision of the other By-law or Policy in respect of any credit control and debt collection matter.</p> <p>AvdB</p>
<p>4.2 COUNCIL</p> <p>(iii) The Credit Control and Debt Collection Policy shall super cede all other policies aimed at achieving the same purpose to which the current credit control policy seeks to achieve</p>	<p>4.2 COUNCIL</p> <p>(iii) In case of a By-Law of Council, the Credit Control and Debt Collection By-law, which enforces this policy, shall prevail.</p> <p>Legal</p>
<p>4.3 CUSTOMERS</p> <p>(viii) The Council shall not refund any credit to any customer or customer's</p>	<p>4.3 CUSTOMERS</p> <p>(viii) In case of a customer in default with any payment to the municipality in respect of any service, the</p>

nominee who is in arrears with the Council	amount of any credit may be allocated as payment against any outstanding municipal account of that customer.
<p>4.4 DECEASED ESTATES</p> <p>In accordance with the provisions of Administration of Estates Act the executor of a Deceased Estate shall be liable for payment of all debts on the property.</p> <p>It remains the sole responsibility of the occupiers to inform the Municipality that the property forms part of a deceased estate and the Municipality may refuse services until an executor has been appointed.</p> <p>Occupiers of property in a deceased estate where neither an executor nor administrator has been appointed, may be required to sign a service level agreement</p>	<p>4.4 DECEASED ESTATES</p> <p>Occupiers of property in a deceased estate where neither an executor nor administrator has been appointed, may be required to sign a service agreement.</p> <p>In the absence of appointment letters as mentioned above the following consent and conditions will be applicable;</p> <ul style="list-style-type: none"> (a) When such consent be given by the co-owner/s and on submission of a death certificate of deceased owner. (b) A tenant of the property in possession of a valid and current rental agreement; (c) Where the deceased was the sole owner, the nominated proxy by the immediate family or the appointed person as per customary law to take responsibility of the account supported by affidavits from the family together with a copy of the death certificate. (d) Where it can be proven that the applicant will inherit the property from the deceased estate owner by submission of a valid copy of the will together with a copy of the death certificate. (e) That the full monthly account be maintained and settled by applicant, failure which the Municipality reserves the right to refuse to supply further services and cancel the temporary supply agreement. (f) For the purpose of liability for an account, the occupier or occupiers of a property which confers in a deceased estate where neither an executor nor representative has been appointed, but wishes to settle a deceased person's debt may be requested to sign a Service Agreement in the interim whilst the registration of the deceased estate with the relevant authority commences or pending the winding up of the estate. Where there is more than one occupier on the property, every occupier will be jointly and severally liable for an account or consolidated account.

	<p>(g) None of the above will confer any rights on the occupiers other than the liability to pay the accounts.</p> <p>(h) Where a deceased estate remains unresolved for a period in excess of 3 years and without derogating from such other rights as may exist in law, the municipality may refuse further services to the property or review supply conditions to the property or set further extension to require resolution of the estate.</p> <p>AvdB</p>
5.3 DISPUTE AS TO AMOUNT OWING	<p>5.3 DISPUTE AS TO AMOUNT OWING</p> <p>(g) Any amount NOT in dispute must be paid in full by the customer and undisputed municipal services may be restricted or disconnected in respect of amounts outstanding in respect of such services.</p> <p>AvdB</p>
6. ACTIONS TO SECURE PAYMENT	<p>6. ACTIONS TO SECURE PAYMENT</p> <p>(iii) the defaulting customer may be-</p> <p>(a) listed with a credit bureau; and</p> <p>(b) handover of debt to an in-house or contracted debt collection agent for collection. All administrative processes in terms of this policy adhered to and no prior notice of debt hand-over required.</p>
<p>7. POWER TO RESTRICT OR TERMINATE SUPPLY OF MUNICIPAL SERVICES</p> <p>Insert Paragraph</p>	<p>7.1 GENERAL</p> <p>(xi) fails to supply electricity and / or water consumption readings on written notice within required period AvdB</p> <p>(xii) at the written request of the consumer, wherein a written agreement of indemnity between such consumer and the Council, shall be entered, indemnifying the Council of all claims, legal proceedings and costs arising out of such disconnection or restriction occasioned at a written request of the consumer, where the consumer has vacated the premises to which a consumer agreement was concluded, provided that the consumer, after proving ownership or lawful right of control of the property, satisfies Council that continued provision of these services on the property will be prejudicial to both the consumer and the Council</p> <p>Legal</p>
8. DEBT REPAYMENTS ARRANGEMENTS	

<p>9.1 GENERAL PRINCIPALS</p> <p>(a) Only a customer with positive proof of identity or a person authorised, in writing, by that customer or –</p> <p>(i) a letter of appointment by Magistrate Court, where there is a signed rental contract between the owner and tenant;</p> <p>(i) a letter of consent from an Agent;</p> <p>(ii) a letter of Authority from the Magistrate/High Court/Registered Attorney/Advocate will be allowed to enter into a debt repayment agreement for the payment of arrears in instalments.</p>	<p>(a) Only a customer with positive proof of identity or a person authorised, in writing, by that customer or –</p> <p>(i) a letter of consent from an Agent;</p> <p>(ii) a letter of Authority from the Magistrate/High Court/Registered Attorney/Advocate will be allowed to enter into a debt repayment agreement for the payment of arrears in instalments.</p> <p style="text-align: right;">AvdB</p>
<p>16. FRAUD, THEFT AND OTHER CRIMINAL ACTIVITY</p> <p>Insert New Paragraph</p>	<p>(a) No Person may-</p> <p>(i) Reconnect, attempt to reconnect or cause or permit a reconnection to any municipal service where the Municipality has restricted or disconnected such supply.</p> <p>(ii) Tamper, break or interfere with any municipal equipment or unlawfully use or interfere with municipal services provided by the Municipality</p> <p>(iii) Knowingly consume, use or distribute any municipal service which has been obtained in an unlawful manner.</p> <p>(b) A person must notify the Municipality if he or she becomes aware of any illegal connection or where a disconnection notice has been delivered to the property and the electricity remains connected.</p> <p>(c) Council reserves the right to refuse service agreement with tenant where illegal connection, reconnection or tampering with service supply has been identified and will only consider new consumer agreement with owner of property.</p> <p>(d) The owner of the property remains liable and responsible for all instances of un-authorized reconnections, tampering, damage or theft of</p>

	<p>municipal service infrastructure installed on the property as well as for all fees and charges levied by the Municipality for the disconnection and subsequent reconnection.</p> <p>(e) Where prima facie evidence of an illegal connection, tampering or interference exists, the Municipality has the right to immediately disconnect the supply without prior notice to the owner.</p> <p style="text-align: right;">AvdB</p>
--	---

Annexure D9 – PROVISION FOR DOUBTFUL DEBT POLICY

4.1 CONSUMER DEBTORS

EXISTING POLICY

Category of Debtor	Percentage of debt regarded as collectable	Percentage of debt provided for as irrecoverable (i.e. Impairment Percentage)
Eskom supply Area debt	Average Eskom supply area payment collection rate over preceding 12 months	100% less average Eskom supply area payment collection rate over preceding 12 months
Disconnection of services in excess of 6 times during preceding 12 months – <ul style="list-style-type: none"> Debt ageing 0 – 90 days Debt ageing 90+ Days 	100% 25%	Zero 75%
Debt ageing 1080+ Days (36 months)	Zero	100%
Debt ageing between 180 and 1080 days	Average payment collection rate over preceding 12 months	100% less average payment collection rate over preceding 12 months
Debt ageing less than 180 days	100%	Zero

REVISED POLICY

Category of Debtor	Percentage of debt regarded as collectable	Percentage of debt provided for as irrecoverable (i.e. Impairment Percentage)
AA - Consumer debtors with positive billing during reporting period and debit closing balance		
01 – Debtors with receipts processed during reporting period.	Payment ratio in respect of current and opening balance debt	100% of Opening balance Payment ratio uncollectable portion
02 – Debtors with zero receipts during reporting period	0%	100%

BB - Consumer debtors with negative billing during period and debit balance	Payment ratio	100% of Closing balance Payment ratio uncollectable portion	
Exclusions: Formal Debt Repayment arrangements in compliance with arrangement terms	100%	0%	
Annexure D10 – BUDGET IMPLEMENTATION AND MONITORING			
Small Changes including reference to Solar instead of Venus			
Annexure D11 – MUNICIPALITY ENTITY FINANCIAL SUPPORT POLICY			
Policy remains unchanged			
Annexure D12 – ACCOUNTING POLICY			
Whole policy changes in total			
Annexure D13 – ELECTRICITY METERING FOR RESIDENTIAL & SMALL BUSINESS CUSTOMERS			
9. DEVIATIONS FROM THE POLICY Replacing all credit meters in an area or as part of a project, with prepayment metering (as per this policy). During these special projects, amnesty may be required in terms of levying the reinstatement fee for bypassed meters. Such amnesty shall be approved in writing by the HOD: Energy or his delegate and will have specific time duration.	A motivation will be made to the GCFO to put a stay on credit control for a predetermined period of time, so that the project can be completed successfully.		
Insert new paragraph	6.3. Category G: New Bulk Residential Complexes and Businesses (mega developments and similar) ▶ These are defined as new mega mixed residential complexes and businesses which require a mixed electricity meter strategy. ▶ Any decisions made by the HOD: Energy to deal with matters not covered, or that may be ambiguous in this policy will be final. 6.3.1 METERING STRATEGY		

	<p>All meters will be inside a COE approved protective structure, or if built into the building, it will have a COE specification protective structure door and locking mechanism.</p> <p>Detailed management of each zoning will be dealt with as follows:</p> <p>SEE TABLE IN POLICY</p>
Annexure D14 – POLICY FOR THE VENDING OF PREPAYMENT ELECTRICITY	
Policy remains unchanged	
Annexure D15 – POLICY FOR THE CORRECTION OF METER READING AND BILLING DATA	
POLICY FOR THE CORRECTION OF METER READING AND BILLING DATA POLICY	POLICY FOR THE ESTIMATION AND CORRECTION OF METER READING AND BILLING DATA
Additional wording is added in several paragraphs to deal with practical aspects that were found in the field	Similarly, when finding an unmetered connection, this will require an estimation of the account.
2. METHODOLOGY <p>Where any meter is found to have ceased to register or registered inaccurately or the meter installation ancillary equipment have been incorrectly wired or failed then:</p> <ul style="list-style-type: none"> • The quantity of electricity consumed at the property are per the correction report is to be paid for by the customer. • Payment shall be determined from the date of last accurate reading of the meter prior to its failure to register or becoming faulty. • Payment will therefore be up to the time of its repair or replacement and shall be estimated 	<p>Where any meter is found to have ceased to register or registered inaccurately or the meter installation ancillary equipment have been incorrectly wired or failed (including any legal or illegal unmetered connection) then:</p> <ul style="list-style-type: none"> • The quantity of electricity consumed at the property as per the correction report is to be paid for by the customer. • Payment shall be determined from the date of last accurate reading of the meter prior to its failure to register or becoming faulty, or 36 months. • Payment will therefore be up to the time of its repair or replacement or installation of a meter and shall be estimated by the HOD: Energy on the following basis: <p>(1) Where a meter or its installation components has ceased to register correctly, CoE must repair or replace the meter and/or components as soon as possible, and where no meter is found, the installation must be equipped with a meter if it complies to CoE by-laws and standards. If the connection is illegal or do not comply, notice will be given and the supply will be disconnected. The unmetered connection units will also be</p>

<p>by the HOD: Energy on the following basis:</p> <p>(1) Where a meter has ceased to register correctly, the Council must repair or replace the meter as soon as possible.</p>	<p>determined and billed.</p>
<p>(2) Where a meter has been replaced or repaired in accordance with (1) above and it can be proved to the satisfaction of the Council that a lesser or greater quantity of electricity has been consumed the Council must estimate the quantity of electricity that is to be paid for by the customer. The Council's estimate must be fair and reasonable and be for the period from the date of the last accurate reading of the meter prior to the meter's repair or replacement. It must be based on one or any applicable combination of the following:</p> <p>(5) Replace Council with COE</p> <p>after the Council meter has been corrected.</p>	<p>(2) Where a meter or its installation components has been installed or replaced or repaired in accordance with (1) above and it can be proved to the satisfaction of CoE that a lesser or greater quantity of electricity has been consumed, COE must estimate the quantity of electricity that is to be paid for by the customer. The COE estimate must be fair and reasonable. It must be based on one or any applicable combination of the following:</p> <p>(5) City of Ekurhuleni</p> <p>after the CoE meter installation has been corrected</p> <p>Where the COE meter has failed and the customer can produce accurate check meter readings, these readings can be used for the correction provided that the customer meter and COE meter readings correlates, after the COE meter installation has been corrected.</p> <p>Compensation for losses in a transformer (MV to LV) can be taken into account if the COE meter and customer meters are installed at different voltage levels.</p>
Annexure D16 - ELECTRICITY TARIFF POLICY	
<p>3. TARIFF STRUCTURE</p> <p>Existing wording revised: The first block of 100kWh units will be free.</p> <p>Tariff (IBT)</p>	

<p>This tariff:</p> <ul style="list-style-type: none"> • The first 100kWh in the first block will be free. • is based on the inclining block principle, i.e. the more units used, the higher the rate becomes. 	<p>This tariff:</p> <ul style="list-style-type: none"> • The first block of 100kWh may be free, subject to the free basic electricity policy. • is based on the inclining block principle, i.e. the more units used, the higher the rate becomes. • provides Free Basic Electricity to qualifying customers
Annexure D17 – VIREMENT POLICY	
Minor Changes	
Annexure D18 – CONSUMER AGREEMENT POLICY	
Definitions	Definitions
<p>“Chief Financial Officer” means the person appointed by the municipality as Chief Financial Officer</p>	<p>“Chief Financial Officer” means the person appointed by the municipality as Group Chief Financial Officer</p>
<p>7. STANDARD TERMS AND CONDITIONS</p> <p>Insert new paragraph 7(g) and 7(h)</p>	<p>7(g) The Municipality may not approve an application for the provision of any municipal services, unless the applicant has signed an agreement, in a form as determined by the Municipality for that purpose, accepting the terms and conditions for the provision of such services.</p> <p>(h) Where the purpose for or extent to which any municipal service to customer has changed, the onus and obligation is with the customer to advise the Municipality of such change.</p>
<p>7(iii) Disputed accounts</p> <p>(a) When there is a dispute between the Municipality and a customer over a specific amount claimed by the Municipality, the customer must make written representations to the Council in terms of which he/she may dispute the correctness of the account.</p> <p>(b) The representations contemplated in paragraph (a) must contain the following:</p> <p>(i) the reasons for the</p>	<p>7(iii) ACCOUNT QUERIES</p> <p>(a) Account query refers to the instance when a customer queries any specific amount or any content contained in any account as rendered by the Council;</p> <p>(b) Query must be raised in writing at any of the Council's administrative offices;</p>

<p>objection; and</p> <p>(ii) a request that the relevant meters (if any), be tested.</p> <p>(c) The representation must be accompanied by the payment of an amount equal to –</p> <p>(i) the cost of testing the relevant meters; and</p> <p>(ii) the average amount that was due and payable during the preceding three months; or</p> <p>(iii) in cases where there exists no account history, or the amount has been in dispute for several months, an amount equal to an amount prescribed by Council, from time to time, shall be payable.</p> <p>(d) The Municipality must register the representations and provide the customer with a reference number.</p> <p>(e) The Municipality must –</p> <p>(i) investigate or cause the representations to be investigated within 14 days, or as soon as possible after the query or complaint was registered; and</p> <p>(ii) inform the Applicant, in writing, of its finding as soon as possible thereafter, whereupon any arrears found to be due must be paid within 7 days from the date on which the Applicant is notified</p>	<p>(c) Customer to furnish in writing full personal particulars including acceptable means of identification, contact details and account number in respect of which amount owing is queried;</p> <p>(d) Customer may be represented by a duly appointed nominee or agent, and such nominee or agent shall upon request produce sufficient proof of such appointment;</p> <p>(e) Pending the outcome of query, customer may apply for temporary payment extension in terms of provisions of this policy;</p>
---	--

<p>of the amount found to be due and payable.</p> <p>(f) Should the customer disagree with the finding of the Municipality; he/she may appeal in writing to the municipality within 21 days of the notification of the decision.</p> <p>(g) The customer must state the reasons for his/her appeal.</p> <p>(h) The municipality must consider the appeal, and confirm, vary or revoke the decision, but no such variation or revocation of a decision may detract from any rights that may have accrued as a result of the decision.</p> <p>7(iv) Charging for services and meters Change number (iv) to 7(v)</p> <p>Insert new paragraph</p>	<p>(f) the customer shall, pending the resolution and outcome of the query, continue to make regular payments on services that are NOT in dispute PLUS the average charges for the preceding three months prior to the arising of the dispute in respect of remaining part of account or disputed service until the resolution of that query;</p> <p>(g) should a customer not be satisfied with the outcome of the query, a customer may lodge an appeal in terms of section 62, as read with section 95 (f), of the Systems Act.</p> <p>7(v) Charging for services and meters</p> <p>7(iv) Dispute as to Amount Owing</p> <p>(a) A customer may lodge an appeal in terms of section 62, as read with section 95 (f), of the Local Government: Municipal Systems Act 32 of 2000.</p> <p>(b) Customer to furnish in writing full personal particulars including acceptable means of identification, contact details and account number in respect of which amount owing is disputed.</p> <p>(c) Only disputes lodged by registered account holder will be considered.</p> <p>(d) Customer may be represented by a duly appointed nominee or agent, and such nominee or agent shall upon request produce sufficient proof of such appointment.</p> <p>(e) Should any written dispute arise as to the amount owing on the account in respect of all services by a customer, the customer shall, pending the resolution and outcome of that dispute, continue to make regular minimum payments based on the average charges for</p>
---	--

	<p>the preceding three months prior to the arising of the dispute, plus interest, until the resolution of that dispute.</p> <p>(f) Should any written dispute arise as to the amount owing on part of the account or service by a customer, the customer shall, pending the resolution and outcome of that dispute, continue to make regular payments on services that are NOT in dispute PLUS the average charges for the preceding three months prior to the arising of the dispute in respect of remaining part of account or disputed service until the resolution of that dispute.</p> <p style="text-align: right;">From Cr Control</p>
11(a) "... agreement to a consumer who is ..."	11(a) "... agreement with a consumer who is ..."
Annexure D19 – SUPPLY CHAIN MANAGEMENT POLICY	
Policy remains unchanged	
Annexure D20 – TREASURY POLICY	
Policy remains unchanged	
Annexure D21 - FUNDS TRANSFER POLICY (Allocation of Grant-in-Aid)	
1. Introduction <p>The projects, funded or part funded by these Grants can be as modest as community soup kitchens, food gardens, feeding schemes and early childhood development centers, or could involve substantial allocations aimed at inter alia promoting local tourism, destination marketing, creating job opportunities, economic development and sporting events.</p>	<p>The projects, funded or part funded by these Grants can be as modest as community soup kitchens, food gardens, feeding schemes and early childhood development centers, aligned to the strategic objectives of the Departments of SRAC and Health & Social Development Cluster (<i>Economic Development Department is now excluded</i>).</p>
3. Purpose and Objectives <p>3.1 The IDP represents the Ekurhuleni Community's needs and MUST be the guiding factor in developing these partnerships;</p>	<p>3.1 aligned to the strategic objectives of the Department for SRAC and Health & Social Development Department. The IDP represents the Ekurhuleni Community's needs and MUST be the guiding factor in developing these partnerships;</p>
5.3 Economic Development Department Focus Areas	<p>This Clause has been removed completely as such Grants will be catered for under the Enterprise Development Fund coordinated by the EDD</p>
6.1 General Guidelines - <p>(g) A beneficiary of a Grant shall be subjected to the following cooling-off</p>	6.1 General Guidelines -

<p>period(s) before they can be eligible to apply for a Grant-in-Aid again:</p> <p>(i) 3 years: Economic Development department.</p> <p>(ii) 1 year: Sports, Heritage, Recreation, Arts & Culture and, Social Development departments.</p>	<p>(g) Reference to the 3 years cooling-off period for the Economic Development department in (i) has been deleted:</p> <p>(i) 1 year: Sports, Heritage, Recreation, Arts & Culture department, and,</p> <p>(ii) 1 year: Social Development department.</p>
<p>Duplicated Clauses in (i) and (j):</p> <p>6.1 (i) All applications <u>in excess of R100 000.00</u> (<One Hundred Thousand Rand), must submit their most recent audited financial statements. Applications for Grants <u>less than R100 000.00</u> (>One hundred Thousand Rand) must submit certified financial statements) and, a budget for the ensuing financial year; and,</p>	<p>Separated Clauses:</p> <p>6.1 (i) All applications <u>in excess of R100 000.00</u> (<One Hundred Thousand Rand), must submit their most recent audited financial statements-; and,</p>
<p>6.1 (j) All applications <u>in excess of R100 000.00</u> (one hundred thousand Rand) must submit their most recent audited financial statements. Applications for relatively small Grants <u>less than R100 000.00</u> (one hundred thousand Rand) must submit certified Bank statements) and, a budget for the ensuing financial year.</p>	<p>6.1 (j) Applications for Grants <u>less than R100 000.00</u> One Hundred Thousand Rand) must submit certified Bank statements) and, a budget for the ensuing financial year.</p>
<p>(l) Tranche payments (staggered) will be made to ALL Grant beneficiaries to ensure the retention of control by Council where a beneficiary default in fulfilling the obligations in terms of the signed MOA (not complying to the terms), by withholding further payments (e.g. no expenditure report on</p>	<p>(l) Tranche payments (staggered) will be made to ALL Grant beneficiaries, except in cases where a once-off payment is warranted, to ensure that Council retains control by withholding further payments (e.g. in instances where a beneficiary has not submitted an expenditure report on the implemented project; a beneficiary default in fulfilling his/her obligations in terms of the signed MOA).</p>

the project impact have been submitted.	
6.2(d) The need for financial assistance, to be assessed from the applicant's certified financial statements, must be addressed	6.2(d) The need for financial assistance, to be assessed from the applicant's certified / <i>audited financial statements, whichever is applicable</i> , must be addressed
6.2(j) The applicant's Constitution must provide that any assets remaining in the event of dissolution of the organization shall be handed over to any organization or society with similar objectives	6.2(j) The applicant's Constitution must provide that any assets remaining in the event of dissolution of the organization shall be handed over to any charitable organization or society with similar objectives
6.2(k) All applications to be verified by the relevant Department in the specific sector (verification of the existence of the organisation / body and the intended service is to be rendered, etc.)	6.2(k) The existence of all applicants to be verified by the relevant Department in the specific sector (verification of the intended service is to be rendered, etc.)
6.2(m) All the recipients of Grants shall in terms of section 67 of the Act be required to submit: (i) monthly progress reports on how the Grant was spent, subject to the proviso that:	Corrected numbering: 6.2(m) All the recipients of Grants shall in terms of section 67 of the Act be required to submit monthly progress reports on how the Grant was spent, subject to the proviso that: (i) if the project is such that the expenditure is incurred once-off, then the expenditure report must be submitted immediately once the funds are exhausted and if the funds are expended as the implementation of the project progresses, monthly reporting is peremptory until the funds are all spent.

<p>(ii) if the project is such that the expenditure is incurred once-off, then the expenditure report must be submitted immediately once the funds are exhausted and if the funds are expended as the implementation of the project progresses, monthly reporting is peremptory until the funds are all spent. a final closing report not later than the end of the financial year of receiving the Grant, <u>to be collated and submitted to Mayoral Committee, quarterly</u>. Failure to submit progress reports / applying the Grant for a purpose different from the one its allocated may result in no consideration being given to future applications for a Grant and/or the Municipality taking legal action to recover the Grant allocated</p>	<p>(ii) a final closing report not later than the end of the financial year of receiving the Grant, <u>to be collated and submitted to Mayoral Committee, quarterly</u>. Failure to submit progress reports / applying the Grant for a purpose different from the one its allocated may result in no consideration being given to future applications for a Grant and/or the Municipality taking legal action to recover the Grant allocated</p>
<p>6.3(b) Applicants with Municipal services accounts in arrears in excess of R5000.00 are automatically disqualified from any future Grant-in-aid until such time that the applicant's municipal services account is properly managed (<i>prior arrangement made with Finance to pay off arrears less than R5000.00</i>);</p>	<p>6.3(b) Exclusions</p> <p>Applicants with Municipal services accounts in arrears in excess of R5000.00 are automatically disqualified from any future Grant-in-aid, <i>except</i> where the applicant's municipal services account is in arrears by less than R5000.00 and prior arrangement has been made with Finance to pay off arrears).</p>
<p>6.3(c) Where projects fall outside the Municipal boundaries, unless the project benefits the Ekurhuleni community or</p>	<p>6.3(c) Exclusions</p> <p>Where the applicant's place of business/offices are outside the Municipal boundaries, unless the project benefits the</p>

a specific group within the Municipal boundaries	Ekurhuleni community or a specific group within the Municipal boundaries
<p>6.3 (e) duplicated in (w)</p> <p>(e) Where subsequent requests for Grant-in-Aid are to cover unauthorised overspending on projects.</p> <p>(f) Council reserves the right not to award any Grant to an organisation that cannot account for the expenditure of a previously awarded Grant-in-Aid.</p> <p>6.3(f) duplicated in (v)</p> <p>(v) No Grant-in-aid award to an organisation that cannot account for the expenditure of a previous Grant-in-aid within the prescribed period;</p> <p>(w) No subsequent requests for Grants-in-aid are to cover unauthorised overspending on projects.</p>	<p>6.3 (e) & (f) remain:</p> <p>(e) Where subsequent requests for Grant-in-Aid are to cover unauthorised overspending on projects.</p> <p>(f) Council reserves the right not to award any Grant to an organisation that cannot account for the expenditure of a previously awarded Grant-in-Aid.</p> <p>Delete (v) & (w) and</p> <p>Renumber: (x); (y) & (z) to (v); (w) & (x).</p>
Annexure D22 – ASSET MANAGEMENT POLICY	
Policy remains unchanged	
Annexure D23 - COST CONTAINMENT POLICY	
No Changes	
Annexure D24 – POLICY FOR THE WHEELING OF ELECTRICITY (NEW)	
	New policy to effectively deal with electricity wheeling in COE. In short, an external or internal generator is legally entitled to bring electricity to a COE customer, subject to an agreement between the 2 and certain legislative requirements. COE mitigates risk by ensuring the COE surplus is not reduced.
Annexure D25 – POLICY GUIDELINE FOR SMALL-SCALE EMBEDDED GENERATION (NEW)	

	<p>The parallel connection of any generator to the municipal electrical grid, however powered, has numerous implications for the city, and is required to be regulated and managed. This document serves to:</p> <ul style="list-style-type: none"> • Ensure the safety of the municipal staff, the public and the users of the SSEG installations; • Uphold the power quality of the municipal electricity network; • Clarify metering and billing requirements and options; • Balance municipal revenue impact to enable continued operation of all municipal functions. <p>In addition, municipalities are faced with low carbon development imperatives and economic growth challenges. SSEG can play a role in these areas, and the document therefore also serves to:</p> <p>Promote the development of the SSEG industry by creating a conducive environment for growth</p>
Annexure D01 – CREDIT CONTROL AND DEPT COLLECTION BY-LAW	
New	
Annexure D02 – PROPERTY BY-LAW	
New	

2.5 Overview of budget assumptions

2.5.1 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2019/20 MTREF:

- National Government macro-economic targets.
- The general inflationary outlook and the impact on the metro's residents and businesses.
- The impact of municipal cost drivers.
- The increase in prices for bulk electricity and water.
- The increase in the cost of remuneration.

The inflation outlook for the MTREF is as follows:

In terms of National Treasury Budget Circular No. 99 dated 09 March 2020 municipalities were advised to take the following macro-economic forecasts into consideration:

Fiscal year	2019/20 Estimate	2020/21	2021/22 Forecast	2022/23 Forecast
CPI Inflation	4.5%	4.6%	5.4%	5.5%
Real GDP growth	0.9%	1.3%	1.6%	1.6%

2.5.2 Credit rating outlook

Table 37 Credit rating outlook

Security class	Currency	Rating	Annual rating 2019/2020	Previous rating 2018/19
National Scale Rating	Rand	Moody's	Aa1.za	Aaa.za
Short-term	Rand	Moody's	P-3	P-3
Long-term	Rand	Moody's	P-1.za	P-1.za
Outlook	Rand	Moody's	Negative	Stable

- Short-term: Prime – 1 (highest quality)
- Short-term Debt Ratings (maturities of less than one year)
- Long-term: Aa2za
- Defined as high grade. “Aaa” rated prime quality and subject to very low credit risk.
- Senior unsecured debt (rating attached to municipal bond programme): Aaa.za
- Defined as high grade. “Aa+” rated upper median grade are judged to be of high quality and are subject to very low credit risk.
- Long-term: Aa3.za
- Defined as high grade: “Aa” rated upper median grade are judged to be of high quality and subject to very low risk for long-term debt and the best ability to repay short-term debt.
- Long-term: A1.za

Defined as high grade: “A” rated are judged to be of upper medium grade and subject to very low risk for long-term debt and the best ability to repay short-term.

2.5.3 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The City have a R8 billion Domestic Medium-term Note Programme registered with Johannesburg Stock Exchange which was applicable to last six financial years for the capital expenditure funding and formed the basis of the borrowings programme. For the 2020/21 the council will be requested to approve external funding for R2.542 billion which will be drawn down from the existing Domestic Medium-term Note programme. It is based on the assumption that borrowings are undertaken using fixed interest rates (assumed at 10.5% p.a.) for external funding requiring semi-annual interest payments for a bullet facility or semi-annual capital and interest repayments for a mortgaging facility.

2.5.4 Collection rate for revenue services

The rate of revenue collection is currently expressed as a percentage (94%) of annual billings. Cash flow is assumed to be 94% of billings. No provision has been made for increased collection of arrear debt and any revenue yielded from this will be used to strengthen the liquidity position of the City.

2.5.5 Growth or decline in tax base of the municipality

- Growth projections – growth projections refer to the increase in the number of units consumed for the service. It does not refer to the increase in the tariff, nor does it reflect the total increase in income. It is expressed as a percentage which represents the percentage increase in units consumed. Growth projections are determined per service which is driven by service specific trends. No growth was factored in Water & Sanitation and Energy services due to anticipated reduction in consumption as a result of negative economic down turn affecting industrials.

- Assessment rates: 1%
- Electricity: 0%
- Water: 0%
- Sanitation: 0%
- Solid Waste: 1%

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition, the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of FBS.

2.5.6 Salary increases

The parties to the council have concluded a multi-year (3 year) Salary and Wage Collective Agreement for the period 1 July 2018 to 30 June 2021. With effect from 1 July 2020, an increase based on the projected CPI percentage for 2020, plus one comma five percent (1, 5%).

2.5.7 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- National Development Plan addressing inter alia economic growth and job creation.
- Enhancing education and skills development.
- Improving health services.
- Rural development and agriculture.
- Fighting crime and corruption.

2.5.8 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 95% is achieved on operating expenditure and 95% on the capital programme for the 2020/21 MTREF of which performance has been factored into the cash flow budget.

2.6 Overview of budget funding

2.6.1 Medium-term Outlook: Operating Revenue

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The City derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc.).

The revenue strategy is a function of key components such as:

- Growth in the city and economic development.
- Revenue management and enhancement.
- Achievement of a 94% annual collection rate for consumer revenue.
- National Treasury guidelines.
- Electricity tariff increases within the National Energy Regulator of South Africa (NERSA) approval.
- Achievement of full cost recovery of specific user charges.
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA).
 - The ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers, aligned to the economic forecasts.

The tariff increases for the 2020/21 MTREF on the different revenue categories are:

Table 38 Tariff increases over the MTREF

Revenue category	2020/21 Proposed tariff increase	2021/22 Proposed tariff increase	2022/23 Proposed tariff increase
	%	%	%
Property rates	7.5	0	4.6
Sanitation	11.0	11.0	11.0
Refuse removal	7.5	7.5	7.5
Water	15.0	15.0	15.0
Electricity	6.61	6.61	6.61

The following table is a detailed analysis of the methodology in the calculation of the income rates and services:

Table 39 Detailed Budget Assumption for services

INCREASE IN SERVICES INCOME	2019/20 Final Budget	2020/21 Proposed Budget	2021/22 Proposed Budget	2022/23 Proposed Budget	Comments
Base Adjustment/ Efficiency Adjustment					
- Assessment Rates Income	0.13%	-2.21%	9.00%	0.00%	Decline in base adjustment of 2.21% due to objections as approved by the appeal board
- Electricity Sales	-0.79%	0.32%	0.00%	0.00%	Increase in base adjustments as a result of revenue enhancement programmes
- Water Sales	0.00%	0.00%	0.00%	0.00%	
- Sanitation Sales	0.00%	0.00%	0.00%	0.00%	
- Refuse Removal	8.12%	0.00%	0.00%	0.00%	
Growth in Consumption of Services					
- Assessment Rates Income	1.00%	1.00%	1.00%	1.00%	
- Electricity Sales	0.00%	0.00%	0.00%	0.00%	
- Water Sales	0.00%	0.00%	0.00%	0.00%	
- Sanitation Sales	0.00%	0.00%	0.00%	0.00%	
- Refuse Removal	1.00%	1.00%	1.00%	1.00%	
Tariff Increases					
- Assessment Rates Income	7.50%	7.50%	0.00%	7.50%	
- Electricity Sales	13.00%	7.82%	6.61%	6.61%	
- Water Sales	15.00%	15.00%	15.00%	15.00%	
- Sanitation Sales	11.00%	11.00%	11.00%	11.00%	
- Refuse Removal	7.50%	7.50%	7.50%	7.50%	
Total Income Increases					
- Assessment Rates Income	8.63%	6.29%	10.00%	8.50%	No increase of property rates tariff in 2021/22 as a result of valuation roll process.
- Electricity Sales	12.21%	8.14%	6.61%	6.61%	
- Water Sales	15.00%	15.00%	15.00%	15.00%	
- Sanitation Sales	11.00%	11.00%	11.00%	11.00%	
- Refuse Removal	16.62%	8.50%	8.50%	8.50%	
Bulk purchase increase					
- Electricity	15.65%	6.90%			
- Water	15.00%	8.00%			
- Sanitation	11.00%	11.00%			
OTHER BUDGET ASSUMPTIONS					
Salary Increase					
CPI					

The tables below provide detailed investment information and investment particulars by maturity.

Table 40 MBRR SA15 – Detailed Investment Information

Investment type	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
<u>Parent municipality</u>									
Securities - National Government Listed Corporate Bonds									
Deposits - Bank	116 916	547 105	174 554	136 986	136 986	136 986	165 754	182 329	200 561
Deposits - Public Investment Commissioners									
Deposits - Corporation for Public Deposits	4 000	4 000	4 000	4 000	4 000	4 000	4 000	4 000	4 000
Bankers Acceptance Certificates									
Negotiable Certificates of Deposit - Banks									
Guaranteed Endowment Policies (sinking)	1 454 221	1 626 102	1 899 477	2 011 964	2 124 450	2 236 937	2 349 423	2 461 910	2 574 396
Repurchase Agreements - Banks									
Municipality sub-total	1 575 137	2 177 207	2 078 031	2 152 950	2 265 436	2 377 923	2 519 177	2 648 239	2 778 957
<u>Entities</u>									
Securities - National Government Listed Corporate Bonds									
Deposits - Bank									
Entities sub-total	–	–	–	–	–	–	–	–	–
Consolidated total:	1 575 137	2 177 207	2 078 031	2 152 950	2 265 436	2 377 923	2 519 177	2 648 239	2 778 957

Table 41 MBRR SA16 – Investment particulars by maturity

EKU Ekurhuleni Metro - Supporting Table SA16 Investment particulars by maturity									
Investments by Maturity	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment	Yrs/Months								
Parent municipality									
Investec Bank	Call Deposit	Y	V	0	1,212			48,759	
Investec Bank (Sinking Fund)	Sinking Fund	Y	F	9.2278%	24,875	42,880	93,053	587,184	
Stanlib	Call Deposit	Y	V	0	217			5,297	
Sanlam	Call Deposit	Y	V	0				144	
RMB	Guaranteed Trus	Y	F	13.25%	(31)			12,602	
RMB	Unit Trust	Y	F	6.07%	1,384			39,650	
RMB	Guaranteed Trus	Y	F	14.76%	1,025			29,361	
RMB (Sinking Fund)	Sinking Fund	Y	F	9.23%	28,949	85,755	92,062	651,543	
Nedbank (Sinking Fund)	Sinking Fund	Y	F	8.24%	21,432	41,092	68,706	537,994	
Nedbank	Call Deposit	Y	V	0	1,173	374,100		1,173	
									–
									–
Municipality sub-total					2,123,478	80,236	543,827	253,820	1,913,707
Entities sub-total					–		–	–	–
TOTAL INVESTMENTS AND INTEREST					2,123,478		543,827	253,820	1,913,707

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2020/21 medium-term capital programme:

Table 42 Sources of capital revenue over the MTREF

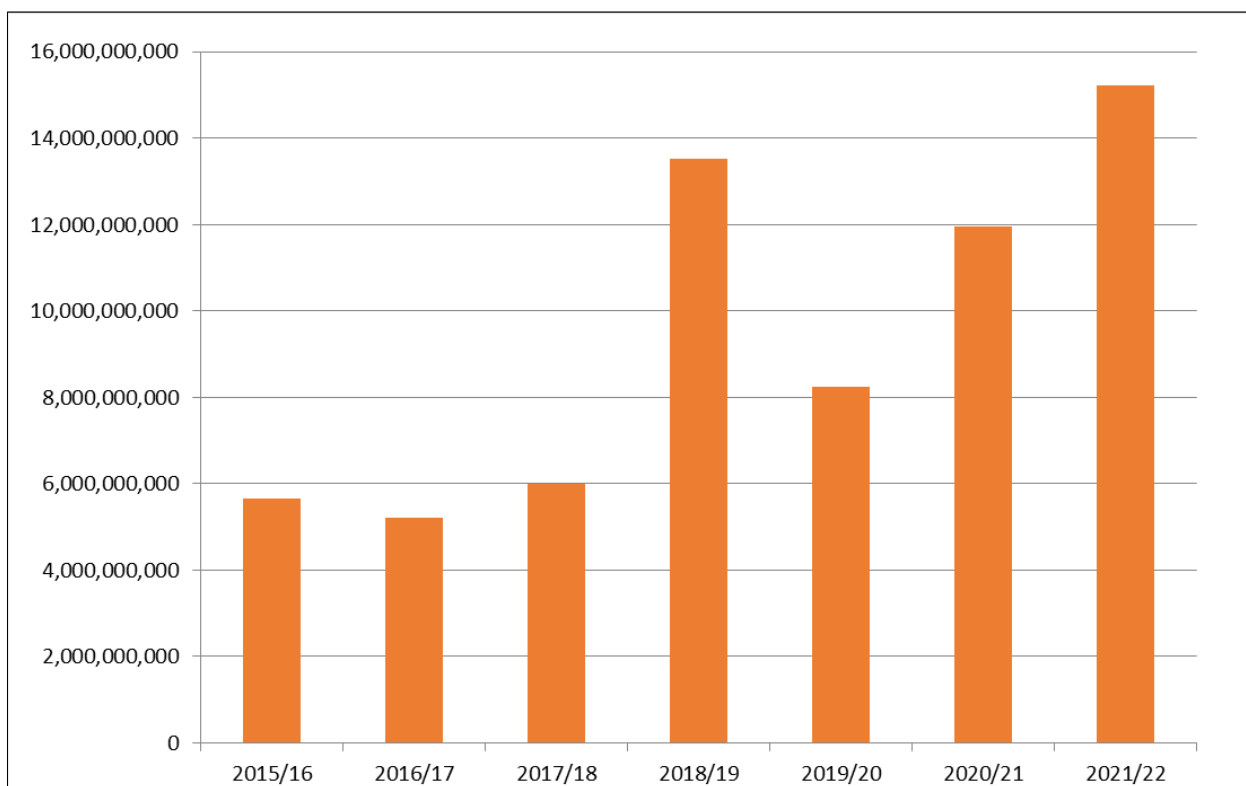
Source Of Finance	Adjusted Budget 2019/20	%	Budget Year 2020/21	%	Budget Year 2021/22	%	Budget Year 2022/23	%
Energy Efficiency & Demand Side Management (EEDMS)	-	0.00%	-	0.00%	-	0.00%	-	0.00%
EHC SHRA	1,500,000	0.02%	-	0.00%	-	0.00%	-	0.00%
External Loans	3,188,297,725	46.83%	2,542,109,370	43.72%	2,664,324,894	50.87%	2,600,058,207	50.82%
Intergrated City Development Grant (ICDG)	54,295,000	0.80%	53,577,000	0.92%	53,023,000	1.01%	56,064,000	1.10%
Intergrated National Electrification Programme (INEP)	8,302,337	0.12%	-	0.00%	-	0.00%	-	0.00%
Neighborhood Development Partnership Grant (NDPG)	94,092,340	1.38%	75,000,000	1.29%	70,086,000	1.34%	45,000,000	0.88%
SRAC Provincial Grant	8,663,989	0.13%	10,500,000	0.18%	11,000,000	0.21%	2,000,000	0.04%
Public Transport Network Grant (PTNG)	473,825,274	6.96%	358,000,000	6.16%	359,000,000	6.85%	370,000,000	7.23%
Revenue	906,210,424	13.31%	823,839,259	14.17%	805,007,301	15.37%	779,153,159	15.23%
Urban Settlement Development Grant (USDG)	2,072,493,919	30.44%	1,951,653,732	33.56%	1,274,836,408	24.34%	1,264,130,861	24.71%
Total	6,807,681,008	100%	5,814,679,361	100%	5,237,277,603	100%	5,116,406,227	100%

Table 43 MBRR Table SA17 - Detail of borrowings

EKU Ekurhuleni Metro - Supporting Table SA17 Borrowing										
		2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Parent municipality										
Annuity and Bullet Loans		755 963	502 569	557 146	3 394 870	3 394 870	3 394 870	3 324 877	3 212 882	3 088 016
Marketable Bonds		3 858 134	5 492 500	8 124 203	7 729 333	7 729 333	7 729 333	8 462 776	8 300 992	8 828 599
Municipality sub-total	1	4 614 097	5 995 069	8 681 349	11 124 203	11 124 203	11 124 203	11 787 653	11 513 874	11 916 615
Entities										
Annuity and Bullet Loans		8 119	8 421	8 215	8 215	8 215	8 123	7 917	7 917	7 917
Other Securities										
Entities sub-total	1	8 119	8 421	8 215	8 215	8 215	8 123	7 917	7 917	7 917
Total Borrowing	1	4 622 216	6 003 490	8 689 564	11 132 418	11 132 418	11 132 326	11 795 570	11 521 791	11 924 532

The following graph illustrates the growth in outstanding borrowing for the 2016/17 to 2021/22 period.

Figure 2 Growth in outstanding borrowing (long-term liabilities)



Internally generated funds consist of a mixture between surpluses generated on the operating statement of financial performance and cash-backed reserves. In determining the credibility of this funding source it becomes necessary to review the cash flow budget as well as the cash-backed reserves and accumulated funds reconciliation, as discussed below.

Table 44 MBRR Table SA18 - Capital transfers and grant receipts

EKU Ekurhuleni Metro - Supporting Table SA18 Transfers and grant receipts									
Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
RECEIPTS:									
Operating Transfers and Grants									
National Government:	4,740,102	5,179,595	5,363,149	5,501,712	5,583,984	5,583,984	6,216,418	6,742,069	7,368,915
Local Government Equitable Share	2,381,367	2,719,861	3,145,138	3,478,292	3,478,292	3,478,292	3,830,583	4,229,656	4,634,258
RSC Levy Replacement	1,625,872	1,694,256	1,734,629	1,711,291	1,711,291	1,711,291	1,781,414	1,971,951	2,134,999
Finance Management	1,050	1,050	1,000	1,000	1,396	1,396	1,000	1,000	1,000
Energy Efficiency and Demand Management	–	–	280	915	–	–	10,000	11,000	11,000
EPWP Incentive	22,125	44,718	25,054	22,022	22,022	22,022	19,104	–	–
Urban Settlement Development Grant	669,688	599,710	254,116	177,560	165,656	165,656	215,851	226,511	268,071
Public Transport Network Grant [Schedule 5]	40,000	120,000	202,932	110,632	205,328	205,328	358,466	301,951	319,587
Provincial Government:	292,977	356,729	821,548	347,299	846,424	846,424	366,391	379,121	379,121
Disaster and Emergency Services	150,624	158,155	167,328	177,033	177,033	177,033	187,301	192,189	192,189
Health	136,853	143,577	151,878	160,266	160,267	160,267	169,590	179,932	179,932
Housing	–	51,203	497,342	–	497,342	497,342	–	–	–
Libraries Archives and Museums	5,500	3,794	5,000	10,000	11,783	11,783	9,500	7,000	7,000
Other grant providers:	9,025	10,797	14,182	25,132	29,861	29,861	25,132	25,132	25,132
Public Sector SETA	9,025	10,797	14,182	25,132	29,861	29,861	25,132	25,132	25,132
Total Operating Transfers and Grants	5,042,103	5,547,121	6,198,879	5,874,142	6,460,269	6,460,269	6,607,941	7,146,321	7,773,168
Capital Transfers and Grants									
National Government:	1,792,444	2,269,238	2,147,324	2,614,920	2,557,373	2,557,373	2,238,231	1,546,945	1,485,195
Energy Efficiency and Demand-side	15,000	12,000	13,720	12,150	–	–	–	–	–
Integrated City Development Grant	38,078	48,646	45,537	54,295	54,295	54,295	53,577	53,023	56,064
Integrated National Electrification Program	40,000	40,000	45,000	–	8,302	8,302	–	–	–
Neighbourhood Development Partnership Grant	68,700	102,574	60,000	65,000	94,092	94,092	75,000	70,086	45,000
Public Transport Infrastructure Grant	410,002	580,718	401,708	568,521	473,825	473,825	358,000	359,000	370,000
Urban Settlement Development Grant	1,220,664	1,485,300	1,581,359	1,914,954	1,926,858	1,926,858	1,751,654	1,064,836	1,014,131
Provincial Government:	27,061	9,800	8,700	8,500	8,664	8,664	10,500	11,000	2,000
Libraries; Archives and Museums	7,500	9,800	8,700	8,500	8,664	8,664	10,500	11,000	2,000
<i>Municipal Human Settlements Capacity</i>	19,561	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	1,819,505	2,279,038	2,156,024	2,623,420	2,566,037	2,566,037	2,248,731	1,557,945	1,487,195
TOTAL RECEIPTS OF TRANSFERS & GRANTS	6,861,608	7,826,159	8,354,903	8,497,563	9,026,307	9,026,307	8,856,672	8,704,267	9,260,363

2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understanding for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category.
- Clear separation of capital and operating receipts from government, which also enables cash from 'ratepayers and other' to be provided for as cash inflow based on actual performance. In other words, the actual collection rate of billed revenue.
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term-borrowing (debt).

Table 45 MBRR Table A7 - Budget cash flow statement

Refer to Table 28.

2.6.4 Cash-backed Reserves/Accumulated Surplus Reconciliation

The following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with Sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

-
- What are the predicted cash and investments that are available at the end of the budget year?
 - How are these funds used?
 - What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with Section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with Section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 46 MBRR Table A8 – Cash-backed reserves/accumulated surplus reconciliation

Refer to Table 29.

2.6.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against 14 different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 47 MBRR SA10 – Funding compliance measurement

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Expenditure										
% Increase in Total Operating Expenditure		8.3%	15.6%	2.1%	2.7%	0.0%	0.0%	7.1%	9.0%	8.5%
% Increase in Employee Costs		20.2%	13.9%	13.9%	(0.2%)	0.0%	0.0%	8.2%	8.5%	8.3%
% Increase in Electricity Bulk Purchases		0.6%	7.5%	17.2%	0.0%	0.0%	0.0%	6.9%	6.9%	6.9%
Average Cost Per Budgeted Employee Position (Remuneration)			467048.8105	464290.2062				490183.6404		
Average Cost Per Councillor (Remuneration)			615785.5697	626435.2735				682672.7014		
R&M % of PPE	4.1%	3.9%	4.3%	5.0%	(458.7%)	4.7%		4.9%	5.2%	5.4%
Asset Renewal and R&M as a % of PPE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Debt Impairment % of Total Billable Revenue	11.5%	6.2%	16.0%	5.3%	7.9%	7.9%	7.9%	7.9%	9.3%	9.6%
Capital Revenue										
Internally Funded & Other (R'000)	1 613 578	854 664	931 006	884	906	861	861	823 839	805 007	779 153
Borrowing (R'000)	1 300 000	2 873 286	2 995 390	3 750	3 188	3 029	3 029	2 542 109	2 664 325	2 600 058
Grant Funding and Other (R'000)	1 788 457	2 003 877	2 056 573	2 783	2 713	2 578	2 578	2 448 731	1 767 945	1 737 195
Internally Generated funds % of Non Grant Funding	55.4%	22.9%	23.7%	19.1%	22.1%	22.1%	22.1%	24.5%	23.2%	23.1%
Borrowing % of Non Grant Funding	44.6%	77.1%	76.3%	80.9%	77.9%	77.9%	77.9%	75.5%	76.8%	76.9%
Grant Funding % of Total Funding	38.0%	35.0%	34.4%	37.5%	39.9%	39.9%	39.9%	42.1%	33.8%	34.0%
Capital Expenditure										
Total Capital Programme (R'000)	4 702 035	5 731 827	5 982 968	7 417	6 808	6 467	6 467	5 814 679	5 237 278	5 116 406
Asset Renewal	2 240 835	4 332 720	5 128 137	6 482 591	6 224 545	6 224 545	6 224 545	5 316 623	4 788 678	4 678 169
Asset Renewal % of Total Capital Expenditure	47.7%	75.6%	85.7%	87399.4%	91434.1%	96246.5%	96246.5%	91.4%	91.4%	91.4%
Cash										
Cash Receipts % of Rate Payer & Other	90.8%	82.9%	82.0%	87.2%	(4.4%)	81.6%	81.6%	68.6%	70.6%	70.4%
Cash Coverage Ratio	0	0	0	0	(0)	0	0	0	0	0
Borrowing										
Credit Rating (2009/10)								0		
Capital Charges to Operating	4.3%	4.3%	3.5%	5.3%	2.7%	5.2%	5.2%	3.3%	3.2%	3.1%
Borrowing Receipts % of Capital Expenditure	(0.0%)	36.3%	76.4%	80926.0%	(16165.8%)	79387.5%	79387.5%	106.6%	96.2%	88.8%
Reserves										
Surplus/(Deficit)	6 175 421	3 704 896	2 227 982	8 793 002	(4 926 728)	3 571 296	3 571 294	2 281 854	2 639 515	3 137 210
Free Services										
Free Basic Services as a % of Equitable Share	98.0%	95.9%	88.1%	102.0%	102.0%	102.0%		100.2%	92.7%	86.8%
Free Services as a % of Operating Revenue (excl operational transfers)	13.9%	12.5%	10.9%	11.5%	11.4%	11.4%		6.5%	6.6%	6.8%
High Level Outcome of Funding Compliance										
Total Operating Revenue	29 742 529	32 530 324	35 105 566	38 807 515	39 879 888	39 879 888	39 879 906	42 702 658	46 561 829	50 521 393
Total Operating Expenditure	30 351 150	32 875 559	38 020 482	38 806 031	39 865 858	39 865 858	39 865 858	42 702 536	46 561 037	50 519 637
Surplus/(Deficit) Budgeted Operating Statement	(608 620)	(345 236)	(2 914 916)	1 484	14 030	14 030	14 048	122	792	1 756
Surplus/(Deficit) Considering Reserves and Cash Backing	6 175 421	3 704 896	2 227 982	8 793 002	(4 926 728)	3 571 296	3 571 294	2 281 854	2 639 515	3 137 210
MTREF Funded (1) / Unfunded (0)	1	1	1	1	0	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✗	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓

2.6.5.1 Cash/cash equivalent position

The City's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF, would generally be a minimum requirement, subject to the planned application of these funds such as cash backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the Medium-term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with Section 45 of the MFMA, which deals with the repayment of short-term debt at the end of the financial year.

2.6.5.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detailed reconciliation of the cash-backed reserves/surpluses is contained in Table 29, on 72. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made.

2.6.5.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash inflow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the metro to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts.

2.6.5.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium-term.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

2.6.5.5 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions

contained in the budget. It can be seen that the outcome is expected to be at 94% this measure and performance objective will have to be meticulously managed.

A 94% collection target has been set for the City.

2.6.5.6 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 6% over the MTREF. Considering the debt incentive scheme and the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days, the provision is well within the accepted leading practice.

2.6.5.7 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It should be noted that a timing discount may have an influence on the cash position forecasted over financial years. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

2.6.5.8 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. It can be seen that borrowing equates to 75.5%, 76.8% and 75.5% of own funded capital over the 2020/21 MTREF.

2.6.5.9 Transfers/grants revenue as a percentage of government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100% could indicate that not all grants as contained in the Division of Revenue Act have been budgeted for. The City has budgeted for all transfers that were gazetted.

2.6.5.10 Consumer debtors change (current and non-current)

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are two measures shown for this factor, the change in current debtors and the change in long-term receivables, both from the Budgeted Financial Position.

2.6.5.11 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being

committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium- to long-term because the revenue budget is not being protected. Details of the City's strategy pertaining to asset management and repairs and maintenance are contained in Table 89 MBRR SA34c - repairs and maintenance expenditure by asset class on page 237

2.6.5.12 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed Capital Budget is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table 88 MBRR SA34b on page 235

2.7 Expenditure on grants and reconciliations of unspent funds

Table 48 MBRR SA19 - Expenditure on transfers and grant programmes

EKU Ekurhuleni Metro - Supporting Table SA19 Expenditure on transfers and grant programme										
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue &		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		4,702,382	4,912,435	5,312,209	5,501,712	5,583,984	5,583,984	6,216,418	6,742,069	7,368,915
Local Government Equitable Share		2,381,367	2,719,861	3,145,138	3,478,292	3,478,292	3,478,292	3,830,583	4,229,656	4,634,258
RSC Levy Replacement		1,625,872	1,694,256	1,734,629	1,711,291	1,711,291	1,711,291	1,781,414	1,971,951	2,134,999
Finance Management		1,050	1,050	604	1,000	1,396	1,396	1,000	1,000	1,000
Energy Efficiency and Demand Management		–	–	162	915	–	–	10,000	11,000	11,000
EPWP Incentive		22,123	44,623	25,054	22,022	22,022	22,022	19,104	–	–
Public Transport Network Grant [Schedule 5B]		780	119,215	177,945	110,632	205,328	205,328	358,466	301,951	319,587
Urban Settlement Development Grant		664,034	333,430	228,678	177,560	165,656	165,656	215,851	226,511	268,071
<i>Municipal Human Settlements Capacity - Opex</i>		7,156	–	–	–	–	–	–	–	–
Provincial Government:		336,233	337,828	335,400	347,299	846,424	846,424	366,391	379,121	379,121
Provincial Government:		150,624	158,155	167,328	177,033	177,033	177,033	187,301	192,189	192,189
Disaster and Emergency Services		136,853	143,577	151,877	160,266	160,267	160,267	169,590	179,932	179,932
Health		34,805	31,204	11,603	–	497,342	497,342	–	–	–
Housing		6,199	4,876	4,592	10,000	11,783	11,783	9,500	7,000	7,000
BKB		15	16	–	–	–	–	–	–	–
Research and Technology Development		185	–	–	–	–	–	–	–	–
Disaster Grant		7,553	–	–	–	–	–	–	–	–
Other transfers/grants [insert description]		9,025	10,797	9,453	25,132	29,861	29,861	25,132	25,132	25,132
<i>Other transfers/grants [insert description]</i>										
<i>Public Sector SETA</i>		9,025	10,797	9,453	25,132	29,861	29,861	25,132	25,132	25,132
Total operating expenditure of Transfers and Grants:		5,047,640	5,261,059	5,657,062	5,874,142	6,460,269	6,460,269	6,607,941	7,146,321	7,773,168

EKU Ekurhuleni Metro - Supporting Table SA19 Expenditure on transfers and grant programme										
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
EXPENDITURE:	1									
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		1,757,650	1,992,791	2,058,219	2,614,920	2,557,373	2,557,373	2,238,231	1,546,945	1,485,195
Energy Efficiency and Demand-side		15,000	12,000	13,829	12,150	–	–	–	–	–
Integrated City Development Grant		37,506	48,646	45,537	54,295	54,295	54,295	53,577	53,023	56,064
Integrated National Electrification Programme		40,000	40,000	36,698	–	8,302	8,302	–	–	–
Neighbourhood Development Partnership Grant		39,554	96,426	54,696	65,000	94,092	94,092	75,000	70,086	45,000
Public Transport Infrastructure Grant		419,338	346,563	282,802	568,521	473,825	473,825	358,000	359,000	370,000
Urban Settlement Development Grant		1,204,604	1,449,155	1,624,659	1,914,954	1,926,858	1,926,858	1,751,654	1,064,836	1,014,131
Wifi Connectivity roll out		1,648	–	–	–	–	–	–	–	–
Provincial Government:		30,807	8,492	8,990	8,500	8,664	8,664	10,500	11,000	2,000
Libraries; Archives and Museums		7,648	8,492	8,990	8,500	8,664	8,664	10,500	11,000	2,000
HSDG Accreditation - Capex		23,159	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		1,788,457	2,001,283	2,067,209	2,623,420	2,566,037	2,566,037	2,248,731	1,557,945	1,487,195
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		6,836,096	7,262,342	7,724,272	8,497,563	9,026,307	9,026,307	8,856,672	8,704,267	9,260,363

Table 49 MBRR SA20 - Reconciliation between transfers, grant receipts and unspent funds

EKU Ekurhuleni Metro - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds									
Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year	42 461	44 876	270 783		82 273				
Current year receipts	4 704 814	5 179 595	5 430 756	5 501 712	5 501 712	5 583 984	6 000 567	6 515 558	7 100 844
Conditions met - transferred to revenue	4 702 398	4 943 472	5 379 816	5 501 712	5 583 984	5 583 984	6 000 567	6 515 558	7 100 844
Conditions still to be met - transferred to liabilities	44 876	280 999	321 723						
Provincial Government:									
Balance unspent at beginning of the year	74 304	31 838	19 754		499 125				
Current year receipts	293 767	325 744	1 327 450	347 299	347 299	846 424	366 391	379 121	379 121
Conditions met - transferred to revenue	336 233	337 828	841 302	347 299	846 424	846 424	366 391	379 121	379 121
Conditions still to be met - transferred to liabilities	31 838	19 754	505 902						
District Municipality:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities									
Other grant providers:									
Balance unspent at beginning of the year					4 729				
Current year receipts			14 182	25 132	25 132	29 861	240 983	251 642	293 203
Conditions met - transferred to revenue	–	–	9 453	25 132	29 861	29 861	240 983	251 642	293 203
Conditions still to be met - transferred to liabilities			4 729						
Total operating transfers and grants revenue	5 038 631	5 281 300	6 230 570	5 874 142	6 460 269	6 460 269	6 607 941	7 146 321	7 773 168
Total operating transfers and grants - CTBM	76 714	300 753	832 354	–	–	–	–	–	–
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year	311 393	36 643	37 941		(57 547)				
Current year receipts	1 482 901	2 231 055	2 020 278	2 614 920	2 614 920	2 557 373	2 238 231	1 546 945	1 485 195
Conditions met - transferred to revenue	1 757 650	1 992 791	1 931 174	2 614 920	2 557 373	2 557 373	2 238 231	1 546 945	1 485 195
Conditions still to be met - transferred to liabilities	36 643	274 908	127 046						
Provincial Government:									
Balance unspent at beginning of the year	5 145	52	742		164				
Current year receipts	25 714	9 800	8 700	8 500	8 500	8 664	10 500	11 000	2 000
Conditions met - transferred to revenue	30 807	8 492	8 990	8 500	8 664	8 664	10 500	11 000	2 000
Conditions still to be met - transferred to liabilities	52	1 360	452						
Total capital transfers and grants revenue	1 788 457	2 001 283	1 940 164	2 623 420	2 566 037	2 566 037	2 248 731	1 557 945	1 487 195
Total capital transfers and grants - CTBM	36 695	276 268	127 497	–	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS REVENUE	6 827 088	7 282 582	8 170 734	8 497 563	9 026 307	9 026 307	8 856 672	8 704 267	9 260 363
TOTAL TRANSFERS AND GRANTS - CTBM	113 409	577 021	959 851	–	–	–	–	–	–

2.8 Councillor and employee benefits

Table 50 MBRR SA22 - Summary of councillor and staff benefits

EKU Ekurhuleni Metro - Supporting Table SA22 Summary councillor and staff benefits									
Summary of Employee and Councillor remuneration	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	54,309	57,443	58,401	61,822	61,822	61,822	66,768	72,110	77,878
Pension and UIF Contributions	4,053	4,396	4,532	4,807	4,807	4,807	5,192	5,607	6,056
Medical Aid Contributions	833	—	—	—	—	—	—	—	—
Motor Vehicle Allowance	7,003	7,882	9,713	9,549	9,549	9,549	10,313	11,138	12,029
Cellphone Allowance	5,078	9,117	9,643	9,128	9,128	9,128	9,859	10,647	11,499
Housing Allowances	48,667	53,861	55,647	54,388	54,388	54,388	58,739	63,439	68,514
Other benefits and allowances	—	—	—	—	—	—	—	—	—
Sub Total - Councillors	119,944	132,700	137,936	139,695	139,695	139,695	150,871	162,940	175,976
% increase		10.6%	3.9%	1.3%	—	—	8.0%	8.0%	8.0%
Senior Managers of the Municipality									
Basic Salaries and Wages	34,667	42,141	133,939	47,319	47,319	47,319	51,104	55,193	59,608
Pension and UIF Contributions	1,374	2,488	2,560	2,895	2,895	2,895	3,126	3,377	3,647
Medical Aid Contributions	52	—	—	—	—	—	—	—	—
Overtime	—	—	—	—	—	—	—	—	—
Performance Bonus	—	8,335	(895)	2,059	2,059	2,059	2,223	2,401	2,593
Motor Vehicle Allowance	2,434	3,364	2,996	3,738	3,738	3,738	4,037	4,360	4,709
Cellphone Allowance	718	990	904	1,027	1,027	1,027	1,109	1,198	1,294
Housing Allowances	156	512	439	465	465	465	503	543	586
Payments in lieu of leave	—	2,451	100	1,338	1,338	1,338	1,445	1,561	1,685
Sub Total - Senior Managers of Municipality	39,401	60,282	140,043	58,841	58,841	58,841	63,548	68,632	74,122
% increase		53.0%	132.3%	(58.0%)	—	—	8.0%	8.0%	8.0%
Other Municipal Staff									
Basic Salaries and Wages	4,450,432	4,867,038	5,170,264	6,320,378	6,297,040	6,297,040	6,820,907	7,344,738	7,916,571
Pension and UIF Contributions	240,090	433,458	962,904	1,172,734	1,172,734	1,172,734	1,266,553	1,367,877	1,477,307
Medical Aid Contributions	321,573	363,018	395,508	516,346	516,346	516,346	557,654	602,266	650,447
Overtime	752,091	763,955	824,699	407,580	407,580	407,580	440,186	475,401	513,433
Performance Bonus	—	—	—	—	—	—	—	—	—
Motor Vehicle Allowance	219,831	227,734	228,622	273,991	273,991	273,991	295,910	319,583	345,150
Cellphone Allowance	18,079	19,125	18,572	19,328	19,313	19,313	20,874	22,544	24,347
Housing Allowances	56,017	55,337	60,719	60,625	60,625	60,625	65,475	70,713	76,370
Other benefits and allowances	—	—	—	—	—	—	—	—	—
Payments in lieu of leave	120,245	148,348	233,624	267,506	267,506	267,506	288,906	312,019	336,980
Long service awards	(45,339)	65,019	(27,699)	9,006	9,006	9,006	9,727	10,505	11,345
Post-retirement benefit obligations	—	95,454	56,847	97,127	92,127	92,127	104,897	113,289	122,352
Sub Total - Other Municipal Staff	6,133,018	7,038,485	7,924,059	9,144,620	9,116,267	9,116,267	9,871,088	10,638,933	11,474,302
% increase		14.8%	12.6%	15.4%	(0.3%)	—	8.3%	7.8%	7.9%
Total Parent Municipality	6,292,363	7,231,467	8,202,038	9,343,156	9,314,803	9,314,803	10,085,507	10,870,506	11,724,400

EKU Ekurhuleni Metro - Supporting Table SA22 Summary councillor and staff benefits									
Summary of Employee and Councillor remuneration	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Board Members of Entities									
Basic Salaries and Wages	–	–	–	9,765	9,765	9,765	8,799	9,966	11,176
Pension and UIF Contributions	–	–	–	–	–	–	–	–	–
Sub Total - Board Members of Entities	–	–	–	9,765	9,765	9,765	8,799	9,966	11,176
% increase		–	–	–	–	–	(9.9%)	13.3%	12.1%
Senior Managers of Entities									
Basic Salaries and Wages	–	30,318	27,710	11,063	12,437	12,437	17,182	17,373	17,426
Pension and UIF Contributions	–	2,645	2,623	1,781	1,781	1,781	1,662	1,788	1,880
Medical Aid Contributions	–	1,041	1,081	588	588	588	605	646	680
Overtime	–	–	–	–	–	–	–	–	–
Performance Bonus	–	1,747	(569)	1,115	1,115	1,115	1,182	1,253	1,322
Motor Vehicle Allowance	–	1,124	1,030	1,322	1,322	1,322	919	1,030	1,073
Cellphone Allowance	–	526	508	189	232	232	258	199	209
Housing Allowances	–	27	25	268	268	268	48	53	55
Other benefits and allowances	–	–	–	–	–	–	–	–	–
Payments in lieu of leave	–	118	4,470	67	67	67	71	75	80
Long service awards	–	32	40	–	–	–	–	–	–
Post-retirement benefit obligations	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Entities	–	37,578	36,918	16,394	17,811	17,811	21,928	22,418	22,725
% increase		–	(1.8%)	(55.6%)	8.6%	–	23.1%	2.2%	1.4%
Other Staff of Entities									
Basic Salaries and Wages	–	199,370	226,365	250,908	255,177	255,177	265,368	348,575	408,926
Pension and UIF Contributions	–	49,228	55,432	64,636	64,636	64,636	75,463	88,554	104,083
Medical Aid Contributions	–	1,392	1,538	2,582	2,582	2,582	2,613	2,903	3,153
Overtime	–	26,612	26,945	33,315	33,315	33,315	35,590	41,765	49,067
Performance Bonus	–	(17,202)	7,949	8,550	8,370	8,370	7,909	9,304	10,979
Motor Vehicle Allowance	–	5,107	5,829	8,118	8,118	8,118	9,433	11,058	13,004
Cellphone Allowance	–	3,394	4,371	4,936	4,936	4,936	5,676	6,664	7,847
Housing Allowances	–	2,545	3,706	3,662	3,662	3,662	4,076	4,762	5,531
Other benefits and allowances	–	–	–	–	–	–	–	–	–
Payments in lieu of leave	–	11,739	7,870	18,359	18,359	18,359	21,402	25,168	29,689
Long service awards	–	520	1,629	1,326	1,326	1,326	1,547	1,819	2,147
Post-retirement benefit obligations	–	(1,604)	7,193	2,439	2,439	2,439	2,845	3,346	3,949
Sub Total - Other Staff of Entities	–	281,102	348,826	398,831	402,920	402,920	431,923	543,920	638,375
% increase		–	24.1%	14.3%	1.0%	–	7.2%	25.9%	17.4%
Total Municipal Entities	–	318,680	385,745	424,990	430,496	430,496	462,649	576,304	672,276
TOTAL SALARY, ALLOWANCES & BENEFITS	6,292,363	7,550,147	8,587,783	9,768,145	9,745,299	9,745,299	10,548,156	11,446,810	12,396,675
% increase		20.0%	13.7%	13.7%	(0.2%)	–	8.2%	8.5%	8.3%
TOTAL MANAGERS AND STAFF	6,172,418	7,417,447	8,449,847	9,628,450	9,605,604	9,605,604	10,397,285	11,283,869	12,220,700

A 7% provision has been made on the remuneration of councillor's budget.

Table 51 MBRR SA23 – Salaries, allowances & benefits**EKU Ekurhuleni Metro - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)**

Disclosure of Salaries, Allowances & Benefits 1.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum		1.				2.
Councillors						
Speaker	503,256	75,489	655,673			1,234,418
Chief Whip	1,076,891	–	81,939			1,158,830
Executive Mayor	1,422,309	–	94,711			1,517,020
Executive Committee	4,409,834	499,941	6,678,523			11,588,298
Total for all other councillors	59,355,867	4,616,231	71,400,003			135,372,101
Total Councillors	66,768,157	5,191,661	78,910,849			150,870,667
Senior Managers of the Municipality						
MUNICIPAL MANAGER (MM)	3,430,828	77,994	356,976	200,384		4,066,182
CHIEF FINANCE OFFICER	2,023,918	147,620	271,592	–		2,443,130
SM D01- CHIEF OPERATING OFFICER	2,300,122	410,170	331,020	–		3,041,312
SM D02-LEGISLATURE	1,684,573	298,775	585,462	–		2,568,810
SM D03-CITY PLANNING	1,775,469	209,758	391,735	121,821		2,498,783
SM D04-CHIEF OF POLICE	2,028,730	114,769	269,971	73,011		2,486,481
SM D05-HEALTH & SOCIAL DEVELOPMENT	1,934,983	187,621	186,831	141,627		2,451,062
SM D06-CHIEF AUDIT EXECUTIVE (INTERNAL AUDIT)	2,329,901	2,259	–	–		2,332,160
SM D07-ENVIRONMENTAL RESOURCE AND WASTE M	2,329,901	2,259	–	–		2,332,160
SM D08-CHIEF INFORMATION OFFICER (ICT)	1,882,387	147,620	327,168	–		2,357,175
SM D09-HUMAN SETTLEMENT	1,948,035	110,470	299,693	118,607		2,476,805
SM D10-ROADS & STORMWATER	2,406,474	2,384	353,834	146,605		2,909,297
SM D11-TRANSPORT	2,083,154	2,163	328,155	–		2,413,472
SM D12-ENERGY	2,183,540	205,151	652,622	184,320		3,225,633
SM D04- DISASTER & EMERGENCY MANAGEMENT	1,857,487	229,728	263,302	100,206		2,450,723
SM D05-CUSTOMER RELATION MANAGEMENT	–	–	–	–		–
SM D05-SPORTS, RECREATION, ARTS & CULTURE DEPA	2,165,579	2,163	245,729	228,507		2,641,978
SM D06-STRATEGY & CORPORATE SERVICES	1,866,505	245,618	317,646	57,135		2,486,904
SM D06-HUMAN RESOURCES	1,962,431	88,710	238,966	–		2,290,107
SM D06-CORPORATE LEGAL SERVICE	2,429,644	150,529	273,405	251,968		3,105,546
SM D06-COMMUNICATION & BRANDING MANAGEME	1,927,855	171,862	258,480	114,937		2,473,134
SM D06-RISK MANAGEMENT	1,932,445	2,384	282,459	130,622		2,347,910
SM D08-ECONOMIC DEVELOPMENT	2,484,106	2,163	354,616	149,140		2,990,025
SM D10-FACILITIES MANAGEMENT & REAL ESTATE	2,290,242	139,058	176,158	136,482		2,741,940
SM D10-ENTERPRISE PROGRAMME MANAGEMENT	–	–	–	–		–
SM D12-WATER & SANITATION MANAGEMENT	1,845,861	175,257	328,155	68,099		2,417,372
Total Senior Managers of the Municipality	51,104,170	3,126,485	7,093,975	2,223,471		63,548,101
A Heading for Each Entity						
BM CHAIRPERSON	4,040,764	–	–	–		4,040,764
BM D01	1,260,000	–	–	–		1,260,000
BM D01	3,498,000	–	–	–		3,498,000
Total for municipal entities	8,798,764	–	–	–		8,798,764
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	126,671,091	8,318,146	86,004,824	2,223,471		223,217,532

Table 52 MBRR SA24 – Summary of personnel numbers

EKU Ekurhuleni Metro - Supporting Table SA24 Summary of personnel numbers									
Summary of Personnel Numbers	2018/19			Current Year 2019/20			Budget Year 2020/21		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other Councillors)	224	–	224	223	–	223	221		221
Board Members of municipal entities		–			–				
Municipal employees		–			–				
Municipal Manager and Senior Managers	205	–	145	216	–	127	119		113
Other Managers	966	648		1,346	895		983	632	
Professionals	1,528	1,105	14	1,069	895	–	1,129	985	–
<i>Finance</i>	189	117	–	129	79	–	119	85	
<i>Spatial/town planning</i>	101	71	–	61	54	–	6	3	
<i>Information Technology</i>	10	5	–	19	16	–	6	6	
<i>Roads</i>	39	19	–	16	12	–	35	21	
<i>Electricity</i>	65	48	–	48	39	–	57	38	
<i>Water</i>	91	55	–	55	38	–	50	36	
<i>Refuse</i>	6	3	–			–	–	–	
<i>Other</i>	1,027	787	14	741	657	–	856	796	
Technicians	1,953	1,503	1	1,760	1,353	–	1,786	1,476	–
<i>Finance</i>	21	14	1	62	39		46	41	
<i>Spatial/town planning</i>	105	90	–	84	32	–	100	87	
<i>Information Technology</i>	30	22	–	60	48	–	71	59	
<i>Roads</i>	78	59	–	43	17	–	34	24	
<i>Electricity</i>	235	216	–	137	93	–	136	106	
<i>Water</i>	122	70	–	143	110	–	182	130	
<i>Refuse</i>	15	10	–	14	13	–	16	15	
<i>Other</i>	1,347	1,022	–	1,217	1,001	–	1,201	1,014	
Clerks (Clerical and administrative)	5,025	3,452	586	4,120	3,295	48	4,119	3,289	5
Service and sales workers	5,110	4,563	1	4,536	3,994	271	5,252	4,801	
Skilled agricultural and fishery workers	79	69	–	258	208	–	254	218	
Craft and related trades	753	749	–	1,015	929	–	1,152	902	
Plant and Machine Operators	2,166	1,722	–	2,379	1,976	–	1,944	1,495	
Elementary Occupations	4,520	3,534	–	4,039	3,550	3	4,473	4,024	12
TOTAL PERSONNEL NUMBERS	22,529	17,345	971	20,961	17,095	672	21,432	17,822	351
% increase				(7.0%)	(1.4%)	(30.8%)	2.2%	4.3%	(47.8%)
Total municipal employees headcount									
Finance personnel headcount	1,291	992	3	1,291	952	1	1,463	939	
Human Resources personnel headcount	282	195	–	273	186	–	261	192	

2.10 Annual budgets and SDBIPs – internal departments

The detail Capital Budget of Departments is reflected in “Annexure F”

2.10.1 CITY MANAGER

Operating Budget of the City Manager

The main cost drivers of relevant departments are salaries and office overhead costs.

Table 53 Operating Budget of the City Manager

	2019/20 - Revised Budget	2019/20 - YTD as at 29th February 2020	2020/21 Draft Budget	2021/22 Draft Budget	2022/23 Draft Budget
CITY MANAGER	R	R	R	R	R
Expenditure By Type					
Employee related costs	73 045 021	50 410 209	78 888 621	85 199 710	92 015 674
Depreciation & asset impairment	146 794	97 864	154 134	161 841	169 933
Other materials	2 076 751	927 463	763 901	777 044	790 896
Contracted services	11 730 521	1 642 041	11 636 309	11 644 918	11 653 991
Other expenditure	2 917 567	1 086 024	1 941 828	2 056 438	2 180 074
Total Expenditure	89 916 654	54 163 601	93 384 793	99 839 951	106 810 568
Surplus/(Deficit)	(89 916 654)	(54 163 601)	(93 384 793)	(99 839 951)	(106 810 568)
Surplus/(Deficit) after capital transfers & contributions	(89 916 654)	(54 163 601)	(93 384 793)	(99 839 951)	(106 810 568)
Surplus/(Deficit) after taxation	(89 916 654)	(54 163 601)	(93 384 793)	(99 839 951)	(106 810 568)

2.10.2 CHIEF OPERATING OFFICER: DELIVERY CO-ORDINATION

The overall objective of the Office of the Chief Operations Officer (OCCO) is ***to provide seamless, automated, uniform and reliable customer service in a clean, safe and functional urban environment***. This objective can be achieved through the following key interventions:

- Usage of all available technology to understand CoE's customer;
- Systematisation and automation of customer relationship management;
- Identification of feasible game changers for Urban Management;
- Provision of integrated and sustainable service delivery to ensure consistent perceived value across the city;
- Provision of customer relations management that is responsive, efficient and effective (customer centricity)

Strategic Positioning of the OCCO

In its quest to provide ongoing integrated service offering for the City of Ekurhuleni communities, the Office of the Chief Operations Officer (OCCO) will require an improved efficiency and effectiveness in delivering municipal services and thereby provide an environment of a seamless system that pursues a 360-degree view of an Ekurhuleni's customer.

The OCCO is governed through four strategic pillars of Customer Interface, Citizen Education, Stakeholder Management and the development of a Sustainable Urban Management Framework. Therefore, the strategic objectives of the office are:

- Optimize customer interface channels
- Implement CRM social media strategy
- Enhance Citizen Education/Communication
- Facilitate Batho Pele education to front line staff
- Stakeholder segmentation & communication
- Facilitate Ward councilor/CDW education/ engagement

OPERATING BUDGET OF THE OCCO

The OCCO is not a revenue generating department but serves as the link/conduit between the customers/residents of CoE and all other departments with the primary focus being placed on effective service delivery and the resolution of customer queries and complaints. In addition, OCCO oversees the coordination of holding of public participation

events such as Izimbizos, Siyaqhuba and other the day to day operational responsibility of community engagements and educational awareness programmes.

Table 54 Operating Budget of the Chief Operating Officer: Delivery Co-Ordination

	2019/20 - Revised Budget	2019/20 - YTD as at 29th February 2020	2020/21 Draft Budget	2021/22 Draft Budget	2022/23 Draft Budget
CHIEF OPERATING OFFICER	R	R	R	R	R
Expenditure By Type					
Employee related costs	227 112 442	144 053 386	245 011 443	264 612 351	285 781 346
Depreciation & asset impairment	48 723 810	32 482 544	51 160 001	53 718 001	56 403 901
Other materials	11 736 343	5 193 460	9 598 865	10 049 944	10 525 388
Contracted services	859 775	364 884	815 715	853 254	892 820
Other expenditure	6 000 872	3 048 997	5 505 154	5 826 277	6 172 187
Total Expenditure	294 433 242	185 143 271	312 091 178	335 059 827	359 775 642
Surplus/(Deficit)	(294 433 242)	(185 143 271)	(312 091 178)	(335 059 827)	(359 775 642)
Surplus/(Deficit) after capital transfers & contributions	(294 433 242)	(185 143 271)	(312 091 178)	(335 059 827)	(359 775 642)
Surplus/(Deficit) after taxation	(294 433 242)	(185 143 271)	(312 091 178)	(335 059 827)	(359 775 642)

2.10.3 CITY PLANNING

The mandate of the City Planning Department is to:

- Provide spatial leadership towards creating vibrant, safe and sustainable City;
- Play a strategic role in developing and promoting an integrated City that addresses spatial injustices;
- Implement initiatives that enhance a developmental City; and
- Accounting for end-to-end built environment.

The department is responsible for driving, sharpening and shaping the City's spatial form from development agenda within the built environment. In the revision of current strategies and developing policies and frameworks ensure the implementation of spatial form as expressed in the IDP. The spatial development agenda will be advanced through various city development policies, plans, growth management initiatives and budget (and capacity).

The City Planning Department provides services to the communities in the assessment of development applications, building plan applications, outdoor advertising applications; respond to sinkhole incidents and boundary encroachments; provide updated GIS data across the various customer care areas (CCAs).

The result statements of the department are contained in the IDP in Annexure A.

Key Strategic Projects of the City Planning Department

Project Name	Brief Description	Project Status/Progress
Regularisation of unproclaimed townships.	The process entails understanding of the current legal status of existing townships (predominantly existing black community townships) and completing the town planning processes thereof (i.e. analysing status quo of the township in terms of land use and encroachments,	The township regularization project is currently underway and Phase One (1) of the project has already been completed. Phase One (1) entails research on the status of the

Project Name	Brief Description	Project Status/Progress
	<p>ensuring that there is an endorsed general plan, proclamation of township if necessary, opening of a township register and upgrading of ownership). The regularization of the townships will improve the security of tenure; and that enables the beneficiaries who had been allocated the houses through leasehold agreements to obtain Title Deeds as a proof of land ownership.</p>	<p>township as far as township establishment processes are concerned. There are fifteen townships identified for regularisation, however, only ten (10) townships require Phase Two (2) Implementation of the project, which include opening of township registers at Deeds Office. The townships highlighted in red are proceeding to Phase Two (2) of township regularization:</p> <ul style="list-style-type: none"> • Tsakane X1 • Blue Gum View • Othandweni • Langaville X6 • Langaville X10 • Vosloorus X15 • Mayfield X5 • Moleleki X4 • Pirrowville • Primrose X18 • Tsakane X10 • Tsakane X20 • Tsakane X21 • Etwatwa X30 • Tembisa X6 <p>It is envisaged that the aforementioned townships will be registered by the end of the 2019/2020 financial year.</p>
Development City of Ekurhuleni Land Use Scheme (CELUS)	<p>The project aims to put in place the reviewed Land Use Scheme by 30 June 2020, which will replace the current 17 Town Planning Schemes that are currently operational and apply a uniform approach in the assessment of land use applications across the metro.</p>	<p>The draft City of Ekurhuleni Land Use Scheme (CELUS) was participated during October 2019. It is envisaged that the Scheme will be approved by the end of the 2019/2020 financial year.</p>
Development and Implementation of the	<p>The CIF aims to drive integrated CAPEX across the City spend within defined geographic priority areas.</p>	<p>The Capital Investment Framework (CIF) Operational Task Team</p>

Project Name	Brief Description	Project Status/Progress
Capital Investment Framework (CIF)	<p>The CIF aims to distribute CAPEX in coordinated manner to various departments in an equitable manner through the Capital Prioritisation Model (CPM) tool and as part of the annual capital budget process through the ERP Budget and Prioritisation Module (automated application). The CPM tool within CIF is meant to prioritise investment towards targeted areas (Geographic Priority Areas and Integration Zones) thus having a catalytic effect with regards to return on investment in relation to its social and developmental objectives.</p>	<p>convenes annually to ensure alignment of the City's built environment trajectory is in accordance with during CIF Budget evaluation process.</p> <p>The CIF finds its application of the Capital Prioritisation Model. The application captures budget data, weights and reports prioritisation outcomes.</p> <p>Furthermore, the outcome of the CIF Budget evaluation process in relation to data adds significant value to compilation of Built Environment Performance Plan (BEPP).</p>
Development of the (annual) Built Environment Framework (BEPP)	<p>The Built Environment Performance Plan (BEPP) is a legislated document as described in the annual Division of Revenue Act, which seeks to assist the city to achieve built environment outcomes of productive, inclusive, well-governed and sustainable city. BEPP is an eligible criteria to access infrastructure grants related to built environment such as Integrated Cities Development Grant (ICDG), Urban Settlements Development Grant (USDG), Neighbourhood Development Partnership Grant (NDPG), Public Transport Infrastructure Grant (PTIG) and Integrated National Electrification Programme (INEP). The main contributions of BEPP include providing incentives to the city, mastering institutionalising integration, coordination and intergovernmental relations in planning and budgeting.</p>	<p>The BEPP is reviewed and submitted annually in line with the timeframes prescribed by national treasury. The City continues to receive tranche payments from the National Treasury for the identified infrastructure grants. It's envisaged that the BEPP will be approve by May 2020.</p>
Formulating the Growth Management Strategy (GMS)	<p>The project is for formulating a comprehensive GMS and provision of planning related services to implement the strategy. The Strategy addresses issues of City identity; flexible growth</p>	<p>The project is currently underway An inception report for the project has already been submitted together the draft status</p>

Project Name	Brief Description	Project Status/Progress
	management development of nodes and corridor, and address the segregated nature of the former Councils of the city inherited from apartheid planning legacy. I furthermore provides the City with a range of mechanisms to direct the nature and form of physical growth in alignment with the Metropolitan Spatial Development Framework.	quo report. The final status quo report as well as the priority mapping report will be finalised before the end of 2019/2020 financial year. The Strategy will be finalized in 2021/2022 financial year.
Gap analysis of the 2015 Metropolitan Spatial Development Framework (MSDF) and Regional Spatial Development Frameworks (RSDF's)	The project is for conducting a detailed gap analysis of the MSDF and RSDFs. The outcome of the exercise will serve as input into the intended subsequent revision of the 2015 MSDF and RSDFs – Region A to Region F.	The review is underway and is expected to be finalised during the 2020/2021 financial year.
Formulating Urban Design Precinct Plans	<p>The project is for formulating urban design precinct plans. For the 2019/20 financial year, the following Precinct Plans will be undertaken: China Gate-Terenure BRT Station Precinct and Andrew Mapheto-Brian Mazibuko BRT Station Precinct.</p> <p>The Municipal MSDF recommends an "urban design approach" as one of the key mechanisms towards restructuring our urban environment, with the aim of addressing and rectifying the flaws and inefficiencies in our current urban structure.</p> <p>This initiative also gives effect to the provision under Section 21(l)(i) of the Spatial Planning and Land Use Management Act of 2013 (SPLUMA), which requires the municipality to identify the designation of areas in which more detailed local plans must be developed.</p>	<p>The status quo assessment and conceptual development framework formulated for each, served as basis for the formulation of a detailed development framework for each of the two precincts.</p> <p>The detailed development framework for each of the 2 precincts have subsequently been formulated during this 2019/2020 financial year.</p> <p>Stakeholder engagement with the general public is envisaged during the 2019/2020 financial year.</p>
Development Incentive Policy	The objective of the policy is to assist the City to set itself as the first choice destination for investment through a combination of incentives, which will promote investment inflows through measures that enhance the image of the municipality in the view of potential and committed investors, provide information on investment	The policy has been finalized and was participated with the public during 2019. Comments are being reviewed and it is envisaged that the Policy can be completed within

Project Name	Brief Description	Project Status/Progress
	opportunities to potential investors, offer location incentives, facilitate investment through institutional and administrative improvements and render post-investment support services. The Development Incentive Policy will reduce obstacles to investment, foster an investor-friendly environment, and reduce application processes, lower costs & risks for investors.	the 2019/2020 financial year.
Development Charges And Contribution Policy.	<p>The objective of the policy is to:</p> <ol style="list-style-type: none"> 1. Give effect to development charges and contributions payable to the City of Ekurhuleni as contemplated in the City of Ekurhuleni Metropolitan Municipality's SPLUM By-Law, 2019 2. Establish the infrastructure for which the development charges are required. To classify internal and external engineering services 3. Establish responsibilities of the applicant and the Municipality for the provision of external engineering services required for developments within the boundaries of the municipality 4. Provide the method of calculation to determine the development charges and contribution payable 5. Outline the development charge and contribution administration process to allow the municipality to recover the portion of the capital cost of external engineering services that is attributable to particular developments; and 6. Establish the purpose for which the municipality can use the development charges and contribution. 	The policy has been finalised and was participated during 2019. The policy has been finalised and was participated with the public during 2019. Comments are being reviewed and it is envisaged the Policy can be completed within the 2019/20 financial year.
Restriction Of Access Bylaw	The objective of the by-law is to provide procedures, processes and systems necessary to facilitate and regulate restriction of access	The draft By-law document has been finalised and will be sent to Council for permission

Project Name	Brief Description	Project Status/Progress
	applications and renewal applications; to provide for appropriate measures to ensure that restrictions of access does not result in discriminating actions nor infringements on the rights of individuals; to provide for penalties associated with non-compliance; and to provide for matters connected thereto.	to advertise for public participation.
Land Use Survey	<p>The study entails compiling a land audit for the built environment in the Metro. Such a study, i.e. Land Use Survey (LUS) is furthermore a legislative requirement in terms of the newly promulgated <u>SPLUM by-law for CoE (2019)</u> – necessary prior to drafting and adoption of a land use scheme for the municipality, see section 22(1) and (2).</p> <p>The LUS is being rolled out incrementally due to, <i>inter alia</i> budgetary constraints – at this juncture Tembisa 1 is the CCA underway after Kempton Park and Germiston areas were concluded.</p>	<p>Some pre-inception and inception phase activities have been carried out and work is to date on Phase 1 in earnest. Key breakdown from Phase 1 to 5 entails:</p> <p>Phase 1 & 2 current key activities:</p> <ul style="list-style-type: none"> -Status quo/Data collection (desk top), -Stakeholder engagement, -Conduct Street view land use survey, using field workers for verification, <p>NOTE: Currently fieldworker recruitment is delayed due to facilitation by Ward councilors.</p>
ERP Alignment	The purpose of the ERP Town Planning & Building Control Module is to provide end-to-end administrative capability to the City. The module will assist to manage operational activities, streamline processes, limit human error and ultimately contribute towards maximizing revenue for the City.	The team is working to finalize the Business Requirements (BRS and Functional Requirements Specification (FRS). The module is due at the end March 2020.

Project 1: Incentives Policy

Municipalities across the country have a mandate to provide their respective communities with the best possible quality, affordable services and create suitable conditions for local business to thrive, create jobs and ensure that the municipality become financially sustainable. The City recognises the need to promote investment and boost its economy in order to provide tangible jobs and support small and emerging businesses. This means the municipality must be able to encourage and support development that demonstrates strategic intelligence to grow the economy, create jobs and balance various social needs to set itself as the first choice destination for investment.

Project 2: Regularisation of Un-proclaimed Townships

There are over 200 townships which township establishment procedures were not completed at the time that the townships were established. The aim is to complete all the processes so that the townships are fully established and registered. This will enable the communities in the townships to obtain freehold titles to their properties and therefore to use them as tradable assets. The City will also be able to develop and/or dispose of municipal land within the townships. In addition, the valuable data relating to land use contraventions such as illegal development, encroachments, etc., will be obtainable.

To date, the Department has fully completed three townships, with an additional 12 in various stages of progress. It is estimated that at the end of the financial year, 15 townships will be completed.

Project 3: Precinct Plans

Precinct plans are to attract investment and to rejuvenate decaying areas. It is envisaged that an additional 2 precinct plans are to be formulated have been identified and they are: China Gate-Terenure BRT Station Precinct and Andrew Mapheto-Brian Mazibuko BRT Station Precinct. Status quo analysis for the two precinct plans has commenced.

Project 4: Rehabilitation of sinkholes and unlocking of dolomitic land

This project is to rehabilitate sinkholes, subsidence and related geo-hazards and to unlock land for development. The municipal landscape is 52% dolomitic. Service providers' contracts in place to assist with the management of geo-hazards, i.e. Consultant for rendering of geotechnical services including dolomite stability assessments and management of contractors; contractor for the rehabilitation of sinkholes; consultants for the geo-physical investigations; The department is continuously unlocking the undevelopable land and rehabilitating sinkholes as and when they occur.

Project 5: Average number of days taken to process building plan applications

The project aims to ensure that the City finalises building plans and issues construction permits within 60 days to ease doing business in the City. This project also positively impacts on the City's revenue and job creation within the construction sector.

Table 55 Operating Budget of the City Planning Department

	2019/20 - Revised Budget R	2019/20 - YTD as at 29th February 2020 R	2020/21 Draft Budget R	2021/22 Draft Budget R	2022/23 Draft Budget R
CITY PLANNING					
Revenue By Source					
Other revenue	45 269 059	21 863 466	38 573 918	40 656 910	42 852 382
Total Revenue (excluding capital transfers and contributions)	45 269 059	21 863 466	38 573 918	40 656 910	42 852 382
Expenditure By Type					
Employee related costs	223 848 213	118 527 253	241 756 066	261 096 560	281 984 274
Depreciation & asset impairment	868 999	579 336	912 449	958 071	1 005 975
Other materials	2 170 699	933 058	1 702 959	1 717 744	1 733 331
Contracted services	88 567 898	28 502 297	70 979 759	74 783 718	77 654 773
Other expenditure	6 733 662	4 045 878	6 382 816	6 797 617	7 241 792
Total Expenditure	322 189 471	152 587 821	321 734 049	345 353 710	369 620 145
Surplus/(Deficit)	(276 920 412)	(130 724 355)	(283 160 131)	(304 696 800)	(326 767 763)
Surplus/(Deficit) after capital transfers & contributions	(276 920 412)	(130 724 355)	(283 160 131)	(304 696 800)	(326 767 763)
Surplus/(Deficit) after taxation	(276 920 412)	(130 724 355)	(283 160 131)	(304 696 800)	(326 767 763)

2.10.4 COMMUNICATION & BRANDING DEPARTMENT**Key Strategic Projects of the Communication and Branding****Key Strategic Projects of the Communication and Branding****Operational Budget**

Key strategic projects of the Communication and Brand Management Department

Strategic objective 1: A clear single brand identity

PROJECT NAME	PROJECT DESCRIPTION
A clear single brand identity	This objective is about tracking the brand promotion interventions implemented during the reporting period in pursuit of a clear single brand identity. The unit of analysis is the "brand promotion interventions", and the unit of measure is the "number of brand visibility interventions implemented".

Description**Corporate Identity**

This speaks to the branding done of all municipal buildings and facilities. A corporate identity provides a uniform way in which the City of Ekurhuleni brand is to be applied on all these facilities. An audit is normally performed which guides signage needs. There is also Ad-hoc requests from departments who requests signage on new facilities such as clinics, fire stations and libraries.

Campaigns

this refers to campaigns carried out by the department and in supporting other departments, e.g. It includes SoCA, Budget, Chris Hani, OR Tambo, Infrastructure cluster support campaigns, Social cluster support campaigns, Corporate and Governance cluster support campaigns, Investment Promotion Destination Marketing

Destination Profiling

Looks at profiling of the City as a destination for tourism and investment. This is through events which will profile the City, which could be the One man Show, Investment Promotions platforms such as the investment conference, and other avenues such as Tourism/Investment campaign in media (digital print, media broadcast) the three categories are used as the three targets per quarter and within each there are a number of items that relate to that category per quarter. A clear single brand identity refers to the application of the city of Ekurhuleni, and ensuring consistency in its application, as well as frequently of activation. One brand identity will ensure recognition of the City brand

Strategic objective 2: Reputation enhancement

PROJECT NAME	PROJECT DESCRIPTION
Reputation enhancement	The indicator tracks the reporting on media analyses reports related to the City of Ekurhuleni. The media analysis report tracks the AVE (Average Value Earned) from media releases placed by media houses.

Description

Reputation enhancement

The number of media analysis reports that are developed, aims to indicate the overall perception of service delivery in the CoE as well as all media releases placed by the media houses and the average value earned from the releases.

KPI 3: ENHANCED CITY STAKEHOLDER RELATIONS

PROJECT NAME	PROJECT DESCRIPTION
Enhanced City stakeholder relations	This strengthens existing platforms and also create new ones. It includes coordination of integrated stakeholder engagements.

Description

Examples of some of the platforms developed and utilized are listed below:

City Meets Business

This platform looks at strengthening the relations between the business community and the City. The implementation of this output ensures that the Executive Mayor, MMCs and HoDs are provided with a quarterly platform to address the business fraternity on developments within the City of particular relevance to them.

Investment Tours

This tool was developed specifically to provide the City with a formal platform to showcase key investment opportunities across the City. The rollout of this tour is planned as a monthly activity and is directed at investors, business media and incoming trade delegations.

Employee Roadshows

This platform looks at strengthening the relations between the City and its employees. The platform ensures that employees from across the spectrum are engaged and information about developments in the City.

Media Stakeholder Engagement

This platform looks at strengthening the relations between the media and Council. The implementation of this output ensures that various HODs and MMCs are afforded a monthly platform to address the media on various issues in relations to their service delivery departments. The Press Club involves all media from national to local media.

KPI:4 BRAND VISIBILITY INTERVENTIONS IMPLEMENTED

PROJECT NAME	PROJECT DESCRIPTION
Brand visibility interventions implemented	Number of Signage projects completed

Description

The indicator tracks the execution of permanent branding on buildings according to the CI manual e.g. new clinics, fire stations, libraries, new and refurbishment of offices, stadiums, swimming pools, halls, parks, investment facilitation centres, taxi ranks etc.

Table 56 Operating Budget of the Communication & Branding Department

	2019/20 - Revised Budget	2019/20 - YTD as at 29th February 2020	2020/21 Draft Budget	2021/22 Draft Budget	2022/23 Draft Budget
COMMUNICATION & BRANDING	R	R	R	R	R
Expenditure By Type					
Employee related costs	50 736 954	30 564 830	54 795 911	59 179 585	63 913 951
Depreciation & asset impairment	233 586	155 728	245 265	257 528	270 404
Other materials	2 816 749	1 733 028	1 014 216	1 017 507	1 020 976
Contracted services	122 139	16 822	66 592	67 840	69 156
Other expenditure	22 801 529	8 938 381	20 831 919	21 187 987	21 564 891
Total Expenditure	76 710 957	41 408 789	76 953 903	81 710 447	86 839 378
Surplus/(Deficit)	(76 710 957)	(41 408 789)	(76 953 903)	(81 710 447)	(86 839 378)
Surplus/(Deficit) after capital transfers & contributions	(76 710 957)	(41 408 789)	(76 953 903)	(81 710 447)	(86 839 378)
Surplus/(Deficit) after taxation	(76 710 957)	(41 408 789)	(76 953 903)	(81 710 447)	(86 839 378)

2.10.5 CORPORATE LEGAL SERVICES

The Corporate Legal Services Department contributes to ALL GDS imperatives with a strong focus being on GDS THERMATIC AREA 4 – Effective Corporate Governance through being an enterprise that drives legal compliance and specialized legal advisory services that cut across CITY OF EKURHULENI Departments and its Entities, focusing its resources on ensuring sustainable proper governance systems and processes focusing on promoting good governance. To ensure that this is attained, the focus is on all legal matters of Council in specialised fields such as Supply Chain Management, Intellectual Property, Housing and Development, Compliance Management which includes managing CITY OF EKURHULENI Contracts, Municipal Court Operations, Infrastructure, Legal Research, and, specialised litigation.

The Department's main objective is to institutionalise legal compliance, guided by the following principles:

- To create a regulatory environment that enhances the capacity of the municipality to deliver consistent and qualitative legal advisory services;
- To ensure compliance with legislation applicable to Local Government throughout the **CITY OF EKURHULENI** and municipal Entities;
- To review the improvement and expansion of the governance model support to facilitate the implementation of the separation of powers;
- To strengthen the legal support service to the organization;
- To increase levels of legal compliance throughout the CITY OF EKURHULENI and within its Entities, and,
- To manage and reduce legal costs on cases by / against Council

Key Strategic Projects of the Corporate Legal Services Department

PROJECT NAME	PROJECT DESCRIPTION
Functionality of the municipal courts for the prosecution of By-Law contraventions & other legislation providing jurisdiction to	To ensure strengthening By-law enforcement through the existing municipal courts; and to extend to the courts in the COE magisterial districts. These courts are an additional Magistrate's Courts with the sole purpose of enforcing By-laws and other National or Provincial legislation to improve effective governance

PROJECT NAME	PROJECT DESCRIPTION
municipalities e.g. building contraventions	and grant law-enforcement access throughout the City of Ekurhuleni
Effective management of Public Protector issues	The department receives complaints from Public Protector, and refer to relevant internal Departments; and facilitate adequate and timeous responses to this Chapter 9 institution
A functional Contract Management System	The department receives instructions to vet/ draft SLAs after the award by BAC/ City Manager and responds within 10 (vetting) /20(drafting) days as applicable. The function also include vetting and drafting of other contacts other than SLAs
Improved effectiveness of the executive process-flow system	The process flow system is a system in terms of which reports are created throughout the Municipality and submitted electronically for inclusion on the Agenda of various committees until reports are submitted to the Mayoral committee for approval. The system tracks the item flow until resolution by Mayoral committee or recommendations of the MAYCO are referred to Council (Legislature) for consideration.
Compliance with the requirements of the Records Management System	To promote appropriate government record management strategies that ensure compliance with the National Archives and Records Service of South Africa Act (No43 of 1996, as amended).
A harmonised single body of By-laws for the city of Ekurhuleni	To develop a harmonious set of City By-laws to ensure certainty, uniformity and enforceable by-laws. To ensure that By-laws are applicable to the entire CoE; and are in line with superior legislation and court decisions so that they can be an effective governance tool, and be enforced in a court of law.
Mitigation of risks occasioned by litigation against the CEO	<p>To ensure compliance with various pieces of legislation, by providing legal comments and guidance to Council and its structures.</p> <p>To assess legal risk and to identify issues arising from other departments with a view to reducing legal risk and unnecessary litigation.</p> <p>To provide interventions in the form of workshops and information sessions to address problems that cause legal risk and which have a potential for litigation.</p>
Compliance with draft/new legislation	To ensure that all functionaries are aware of new legislation and comply with such, so as to prevent any compromise of governance of the City.

Operating Budget of the Corporate Legal Services Department

By the nature of its core business, the Department is not an income-generating Unit for the Metro and, therefore, its Operating Budget is primarily focused on the expenditure

component. However, there is income generated in the form of sundry income derived from legal cost recoveries.

The expenditure component is comprised of various cost drivers i.e. general expenses, contracted services, compensation of employees, repairs and maintenance (external and internal) and Grants-in-Aid categories. The major drivers are compensation of employees and contracted service categories. The biggest single cost item is Contracts: Legal Services, in the contracted services category spent on legal fees for Contracted Attorneys from Council's Panel in the defense of legal cases that proceed to Court by / against Council. Legal fees, unpredictable by their nature, significantly escalated during the past financial years and this has been identified as an area where the Department should continue developing and applying very stringent cost management mechanisms to reduce costs. One such key control mechanism is the two-pronged Due Diligence study first undertaken a year or so ago, to develop a CITY OF EKURHULENI Litigation Strategy, to highlight litigation triggers, generate management reports to analyse disputes, enable management of the performance of contracted Attorneys, critical appraisal of services rendered to client Departments and cooperation from client Departments, amongst others, is beginning to bring desired results i.e. contractual disputes and related litigation being drastically reduced

- I. Development of a Case Management Framework which has been finalised used to manage litigious matters of the CITY OF EKURHULENI, submitted to the Senior Management Team for noting and, to be referred to the Corporate Services & Finance Mayoral Cluster, for further noting after which it will be implemented.
- II. The 2nd Phase currently underway is the identification of actual legal cases to be analysed and a survey to be conducted amongst the contracted Attorneys.

Focus is not only be on cutting costs but rather on getting value for money. The more applicable compliance legislation is promulgated; the more legal costs will go up due to stringent requirements for the municipality to comply with in ensuring compliance. The connotation is that balance should be struck between rendering quality and efficient legal advisory services and strictly managing costs.

Legal costs are monitored and referred for taxation when warranted and regular meetings are held in this regard. The Department has no influence on the Court roster as the scheduling of matters heard by the Court is a process completely controlled by the Courts, therefore, the duration of legal cases is based on the nature of legal cases and is not influenced in any way except that the Departmental Legal Advisors manage all aspects of the case to ensure that when a matter is set down to be heard, whatever that is within the control of the Department in preparation of the Court hearing, is strictly complied with to avoid unnecessary delays that may result in the matter being postponed.

Legal cases result directly from actions and/or a failure to act (omissions) by different CITY OF EKURHULENI client Departments. Corporate Legal Services continues to manage all aspects of litigation services until conclusion through external legal Practitioners on a contracted basis.

Table 57 Operating Budget of the Corporate Legal Services Department

	2019/20 - Revised Budget	2019/20 - YTD as at 29th February 2020	2020/21 Draft Budget	2021/22 Draft Budget	2022/23 Draft Budget
CORPORATE LEGAL	R	R	R	R	R
Revenue By Source					
Other revenue	1 583 925	1 139 674	1 145 417	1 207 270	1 272 462
Total Revenue (excluding capital transfers and contributions)	1 583 925	1 139 674	1 145 417	1 207 270	1 272 462
Expenditure By Type					
Employee related costs	50 357 722	31 687 004	54 861 279	59 250 180	63 990 192
Depreciation & asset impairment	1 446 062	964 048	1 518 365	1 594 283	1 673 997
Other materials	650 111	373 204	352 321	355 288	358 416
Contracted services	54 320 032	28 578 684	50 567 425	50 568 609	50 569 856
Transfers and subsidies	23 041 790	-	18 041 790	18 041 790	18 041 790
Other expenditure	2 466 557	1 146 272	1 559 671	1 624 250	1 693 993
Total Expenditure	132 282 274	62 749 211	126 900 851	131 434 400	136 328 244
Surplus/(Deficit)	(130 698 349)	(61 609 537)	(125 755 434)	(130 227 130)	(135 055 782)
Surplus/(Deficit) after capital transfers & contributions	(130 698 349)	(61 609 537)	(125 755 434)	(130 227 130)	(135 055 782)
Surplus/(Deficit) after taxation	(130 698 349)	(61 609 537)	(125 755 434)	(130 227 130)	(135 055 782)

2.10.6 DISASTER AND EMERGENCY MANAGEMENT SERVICES

The result statements of the department are contained in the IDP in Annexure A.

Disaster and Emergency Management Services Department provides the following services to the community of Ekurhuleni:

- Fire Suppression;
- Fire Prevention and Fire Safety;
- Rescue Services;
- Emergency Medical Services;
- Management and handling of hazardous material incidents;
- Emergency Communications Centres; and
- Disaster Management

Some of the Deliverables to date for the Department

The Department constructed and operationalized the following eight (8) new major Fire Stations (Construction value more than R260 million):

- Daveyton
- Etwatwa
- Tsakane
- Zonkizizwe
- Duduza
- Kwa Thema
- Thokoza
- New Germiston Central Fire Station

Implementation of programme to establish major Fire Stations in all previously subserviced areas:

- Albertina Sisulu Corridor Fire Station
- Olifantsfontein Fire Station
- Elandsfontein / Isando Fire Station
- Katlehong Fire Station

The following four (1 x Regional Disaster Management Office and 3 x Regional Satellite Offices) were established. The total number of Regional and Satellite Disaster Management offices/facilities (including the existing offices/facilities in Alberton and Springs) are six (6).

- Kempton Park
- Tembisa
- Tsakane
- Katlehong

Existing Offices:

- Alberton
- Springs

Commissioning of Specialised Vehicles (Fire-fighting Vehicles)

❖ Department made provision for R30m in **2019/2020 Financial Year** to procure the following:

- Complete 5 x Specialized vehicles (Fire Engines);
- 1 x Crane Truck;

Operating Budget of the Disaster and Emergency Management Services Department

This department is also partly funded by the Gauteng Provincial Government for the provision of ambulance services. The majority of the department's costs are subsidised by assessment rates.

The main cost drivers are salaries and cost of provision of Disaster and Emergency Services. The Emergency Services and Emergency Communication Centres section operates on a 24/7 basis increasing the salary cost.

The provision of funds for disasters and emergency management is done within this cost centre. Disasters are dealt with as follows, in terms of the Disaster Management Act of 2002 Disaster Management Act of 2002 as amended in 2015 and the Municipal Finance Management Act (MFMA) of 2003. Section 12 of the MFMA outlines the process of setting up relief funds to deal with disasters. A disaster management funding model for the City will ensure that both proactive and reactive activities of disaster management are sufficiently catered for.

The City of Ekurhuleni's declared asset values for assets that are insurable amounts to **R34 Billion**. Excluded from these declared values, and subsequently cover thereon, are items such as roads, bridges, water and sewer network, and electricity network (because you can either not source cover for these items or if you could, it would simply be too expensive). However, items such as sub stations, pump stations (in other words, machinery-related) are covered.

Cover is capped at **R1.5 Billion** for any single event. Events covered are:

Fire and associated hazards- fire, spontaneous combustion, spontaneous fermentation, spontaneous charring, spontaneous heating, lightning, thunderbolt, explosions, implosions, earthquakes and tremors, riot and strike, malicious damage, subsidence and landslide.

Metro's Unique Hazards - air pollution, civil unrest, dangerous electrical connections, electricity supply disruptions, floods, HAZMAT, ground water pollution, strong ground motion, severe storms, sewage and drainage, storm-water floods, structural fires in

informal settlements, veldfires, infrastructural hazards, illegal uncontrolled waste disposal, pest infestation, motor vehicle accidents.

Key Strategic OPEX Programmes of the Disaster and Emergency Management Services Department

Increasing the capacity of the Disaster & Emergency Management Services Department to be able to respond effectively to emergency situations is crucial. A strong 200 Fire Brigade Reserve Force is deployed in line with the City of Ekurhuleni Fire Brigade Reserve Force Policy which was approved by Council. These individuals are called upon to supplement staff shortages and will be paid for every shift they are called for. They can also play a pivotal role during disasters and major incidents where properly trained human capacity is required. This contributes significantly to job creation and poverty alleviation efforts.

As part of the municipality's Informal Settlement Management Plan, the reduction of devastating fire incidents at Informal Settlements remain a priority.

Fire Brigade Services is a very high risk occupation. Personal Protective Equipment for operational staff in the department is paramount and a legal requirement to achieve compliance to the Occupational Health and Safety Act and to protect the staff from the perils of the job, such as occupational disease, being knocked over by traffic at accident scenes, exposure to flames and heat, as well as exposure to dangerous chemicals.

Table 58 Operating Budget Disaster and Emergency Management Services

	2019/20 - Revised Budget	2019/20 - YTD as at 29th February 2020	2020/21 Draft Budget	2021/22 Draft Budget	2022/23 Draft Budget
DISASTER AND EMERGENCY MANAGEMENT SERVICES	R	R	R	R	R
Revenue By Source					
Rental of facilities and equipment	153	10	161	170	179
Transfers and subsidies	177 033 000	177 033 000	187 301 000	192 189 000	-
Other revenue	25 963 046	11 146 079	13 782 329	14 526 575	15 311 008
Total Revenue (excluding capital transfers and contributions)	202 996 199	188 179 089	201 083 490	206 715 745	15 311 187
Expenditure By Type					
Employee related costs	805 032 523	546 366 212	869 435 133	938 989 938	1 014 109 136
Depreciation & asset impairment	18 987 320	12 658 216	19 936 686	20 933 520	21 980 196
Other materials	22 204 739	10 619 165	15 942 739	16 649 265	17 393 943
Contracted services	60 913 345	22 915 425	38 136 800	40 477 242	42 967 326
Other expenditure	35 754 145	20 076 336	36 915 491	39 063 070	41 352 645
Total Expenditure	942 892 072	612 635 354	980 366 849	1 056 113 035	1 137 803 246
Surplus/(Deficit)	(739 895 873)	(424 456 265)	(779 283 359)	(849 397 290)	(1 122 492 059)
Surplus/(Deficit) after capital transfers & contributions	(739 895 873)	(424 456 265)	(779 283 359)	(849 397 290)	(1 122 492 059)
Surplus/(Deficit) after taxation	(739 895 873)	(424 456 265)	(779 283 359)	(849 397 290)	(1 122 492 059)

2.10.7 ECONOMIC DEVELOPMENT

The result statements of the department are contained in the IDP in Annexure A

The National Development Plan Vision 2030 (NDP), advocates the living standards of the poor to be raised to a minimum level. For this to be achieved, we need to build the economy so that it works for ordinary working people, not only the rich and powerful. South Africa has to create the jobs needed to turn the tide on the high levels of unemployment, particularly for women and the youth who are most affected by poverty.

This requires an increase in the levels of income through productivity growth and the prioritisation of small-scale producers over large monopolistic enterprises. To this end, the City of Ekurhuleni's theme of ***“Building a local economy that grows in the hands of the people and of SMMEs that are the heartbeat of our local economy”***, is aspired through the Economic Development Department.

In line with the Sustainable Development Goals, National development imperatives of the NDP, the Gauteng Ten Pillars Programme of Transformation, Modernisation and Reindustrialisation (TMR), the City's GDS 2055, the Integrated Development Plan (IDP) and Municipal Spatial Development Framework (MSDF). **The Economic Development Department's work seeks to achieve the following objectives:**

- Strive for a vibrant, inclusive and sustainable regional economy that prioritizes the interests of its communities through new knowledge creation that drives positive change and improves livelihoods;
- Ensure that the City of Ekurhuleni is a destination of choice for tourism, investment and trade through enhancement of its Airport City Value Proposition;
- Ensure that poverty, underdevelopment and unemployment are reduced through integrated efforts that prioritize human development, accelerated and shared economic growth;
- Facilitate the development of a globally connected and smart regional economy that is investment friendly and pro-development;
- Create a trade conducive environment that; attracts investment, creates jobs and encourage economic competitiveness; and
- Ensure accelerated and shared economic growth through skills development, enterprise development and investment retention.

To align to the **National Outcomes**, the Economic Development Department is tasked with leading, facilitating, and promoting economic growth and development within the City of Ekurhuleni, the department endeavours to achieve the following **strategic outcomes**:

Outcome 4: Decent employment through inclusive growth. Including addressing spatial imbalances in economic opportunities through expanded employment in agriculture, the built environment and the densification of Metro's; specific to the EDD is the rollout of the township economies strategy. Also, the expansion of public employment schemes through the Expanded Public Works Programme.

Outcome 7: Vibrant, equitable, sustainable rural communities contributing towards food security for all. The EDD plays a supportive role, particularly to community agriculture towards addressing economic inequities. As part of the Ekurhuleni' Agriculture Turnaround Plan, the agricultural strategic plan will be used as the guiding tool for determining the specific means by which strategic interventions will be carried out, to facilitate the process of implementation and the budgeting of resources towards the much-anticipated transformation in the agricultural sector of Ekurhuleni.

Therefore, the strategic vision for agriculture development in CoE is: ***“A transformed, more productive and sustainable agricultural sector that stimulates social and economic growth”***. The specific objectives to achieve this vision are to:

-
- ❖ Create an enabling environment for agricultural development in the CoE;
 - ❖ Increase productivity and outputs of dominant and most viable commodities produced within the CoE;
 - ❖ Ensure that agricultural production is sustainable and dependable;
 - ❖ Enhance the coordination and management of land and other natural resources;
 - ❖ Promote competitiveness and profitability of the agricultural sector through, among others, public-private-community partnerships, and market linkages
 - ❖ Enhance the role of youth in agriculture; and
 - ❖ Strengthen institutional capacity, increase efficient support services and human resource development.

Outcome 9: Responsive, accountable, effective and efficient local government.

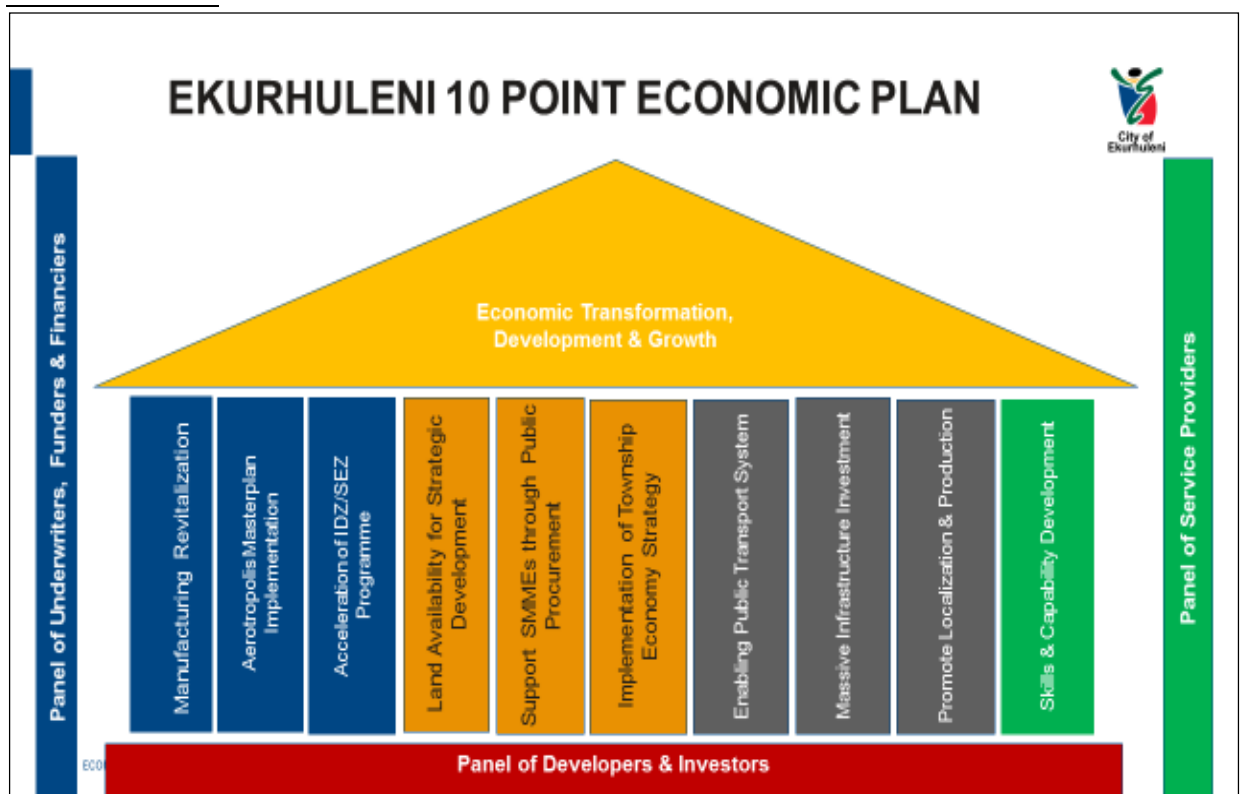
EDD affords collaborative support to its clients as well as the City, in ensuring the provision of basic services, strengthening cooperative governance, sound financial and administrative management, and support for the Integrated Urban Development Framework (IUDF). Thus, driving the promotion of social and economic development by positioning local government to create an enabling economic environment that stimulates competitiveness, inclusive and sustainable local economies - catalytic economic development programmes, and reducing the cost of doing business in the City.

The Ekurhuleni 2055 GDS advocates specific strategies and programmes that include the following:

- Establish business development infrastructure for SMMEs
- Integrated SMME development and urban development
- Facilitate development and access to new markets
- Establish long-term partnerships for growth
- Galvanise state and private sector investment
- Strengthen the tax base and income streams
- Balanced subsidy burdens and financial viability

Alignment to the Ekurhuleni Ten (10) Point Economic Plan (2016-2021)

As espoused by the GDS as well national objectives and demands of the country; for Ekurhuleni to stimulate the local economy so that it is repositioned as an ideal destination for trade, investment and tourism the City of Ekurhuleni adopted the Ten-Point Economic Plan under the current administration, i.e.



The Economic Plan is a deliberate programme to position the Gauteng' Eastern Development Corridor as the anchor and footprint of the provincial economy to maximize aptitudes in smart and advance manufacturing, aviation & aerospace, logistics and transportation industries to drive major economic development and the transformation agenda for the citizenry of Ekurhuleni. The plan focuses on ten priority areas of investment wherein the City of Ekurhuleni shall effect strategic investments as well as leverage inward crowding-in of strategic investments with intent, thus further advancing the core principles of the Aerotropolis.

Therefore, for this grand plan to materialise, in collaboration with various national, provincial and private institutions, the department facilitates job creation, skills development, tourism development and marketing, industrial investment retention and promotion, and enterprise development, consequently contributing to the industrial competitiveness of the region.

The budget structure of the department is informed by the organizational structure and categorized as per the following cost centres:

- Office of the HoD: Economic Development
- Support Services
- Community Enterprise Development
- Industrial Investment Facilitation
- Infrastructure, Skills Development & Job Creation
- Economic Partnerships
- Tourism Development & Marketing
- Ekurhuleni Fresh Produce Market

Operating Income

The Ekurhuleni Fresh Produce Market (EFPM) is another source of income for the City. Realising the significance of this utility, from the 2013/2014 financial year, to date, the Economic Development Department started with a turn-around plan for the Market, which

included refurbishment, expansion of the market infrastructure and implementation of new standard operating procedures.

This has led to the investment of R160 Million on refurbishment of infrastructure and establishment of new critical infrastructure to ensure that the EFPM complies with all legislations governing storage and distribution of fresh produce, Occupational Health and Safety, Consumer Protection Acts and other applicable food safety standards.

To date (2013/2014-2018/2019) has increased its monthly sales turnover from an average of R25 Million per month to R38 Million per month, and an annual turnover of R285 Million per annum to R445 Million per annum. While for the 2019/2020 financial year end June 2020, the turnover is expected at R489, 5 Million per annum.

Over above the income from the EFPM, the department also receives an Incentive Grant for the Expanded Public Works Programme (EPWP) through the Division of Revenue Act (DoRA).

Operating Expenditure

To maximize the economic potential of Ekurhuleni throughout the country, as well as to enhance the resilience of the macro-economic growth through increased local economic growth, employment creation and development initiatives within the context of sustainable development, the department pursues the following positions;

Enhance the delivery of its core products and services to end-user beneficiaries, where the EDD shall:

- 1) Intervene and facilitate Enterprise Development to unlock and open the economy to non-traditional economic players who in turn would trigger economic activity and enable the economy to be more dynamic, competitive and inclusive;
- 2) Coordinate, and drive job creation programmes such as the EPWP and CWP to alleviate unemployment in the short term.
- 3) Effectively plan and package its strategic projects and game changers for investment and trade facilitation and operationalisation.
- 4) Develop and review the Ekurhuleni Economic Partnership Policy, Strategic Framework, Programme and Plan of Action to crowd-in Corporate Social Investment, Social Labour Plans and related external funding instruments for the benefit of communities in the City;
- 5) Develop alternative funding models, investment-inducing policies and business practices that are investor friendly and reduce the cost of doing business in the City, for domestic and export markets;
- 6) Develop a range of tourism products and services to attract business and leisure tourists;
- 7) Implement skills development and enterprise development programmes that stimulate human capital and entrepreneurial development; and
- 8) Prioritise its resources, interventions and infrastructure development programme towards targeted sectors that stimulate the building of the City as an Aerotropolis and improve the revenue generating capability of the City;

Provide conducive environments that enable services that support the delivery of its core products and services, where the EDD shall:

- 1) Engage in strategic, formalised partnerships with public and private sector investment role-players to ensure programme alignment and optimal effectiveness;
- 2) Market and communicate a unique Ekurhuleni value proposition and package of products and services that create brand visibility and positions the City as a destination of choice to investors and tourists alike;
- 3) Build its business intelligence and knowledge management capability through economic research and impact analysis that informs the economic development programmes of the Department;
- 4) Improve the management of stakeholder relations and establish community participation and engagement platforms that facilitate buy-in to regional economic development programmes;
- 5) Be responsive to customer needs, complaints and queries; and
- 6) Develop economic policies and strategies that are investor friendly, make it easier to do business in the City, thus stimulating radical economic development and transformation.

Optimise internal systems, processes, governance and controls, where the EDD shall:

- 1) Clearly define its role in the broader regional economic development value chain (eastern corridor development and Aerotropolis), and ensure that systems and processes are established that ensure the efficacy of services towards creating the desired impact at community level;
- 2) Ensure the adherence to sound financial, governance and risk management policies and procedures that enable compliance, while being supportive to the service delivery value chain;
- 3) Establish delegations of authority that facilitate speedy decision making and decentralised accountability.
- 4) Put in place performance monitoring and evaluation systems, processes and reporting mechanisms that enable compliance, and reduced audit findings; and
- 5) Ensure that it receives value for money from service providers / contractors through improved management controls, checks and balances within the trade periods for procurement.

And, optimising human capital management and development, and building a high-performance organisation, the EDD shall:

- 1) Continue to align its organisational structure in line with its strategic objectives supported by a comprehensive job design, the matching of skills to job profiles and evaluation processes;

- 2) Resource its organisational structure, prioritising the identified areas of high impact as defined by its strategic framework;
- 3) Continue the process of improving its performance by setting individual and team goals which are aligned to the strategic goals of the department, planning performance to achieve departmental and City goals, reviewing and assessing progress, and developing the knowledge, skills and abilities of people;
- 4) Train and up-skill staff to improve the capacity of the Department to deliver on its service delivery commitments;
- 5) Enhance communication between management and staff through new and existing communication platforms; and
- 6) Build a conducive working environment for the EDD personnel.

Mega and Flagship Projects as pronounced by the Executive Mayor

The Economic Development Department will focus on implementing job creation programmes and Mega and Flagship projects to deal with the challenges such as higher unemployment rates as a large number of employment seekers cannot enter the labour market due to low levels of education and a poor skills base. Therefore, the following activities are underway and some to be implemented;

Activity	Description
1. Community Enterprise Development Programmes	
Purpose of the project	To facilitate development of Enterprises, Cooperatives facilitate job creation in a sustainable manner at a cost-efficient rates of inclusive economic growth.
Current Flagship Projects	<p>The City has developed the Ekurhuleni (CoE) Ten (10) Point Economic Plan strategic framework in order to systematically and deliberately drive programme to position the City of Ekurhuleni as the primary anchor and footprint of the provincial economy. The Plan has identified the following priority areas:</p> <ul style="list-style-type: none"> ▪ Revitalisation of the manufacturing sector; ▪ Implementation of Aerotropolis Master-plan; ▪ Acceleration of IDZ/SEZ Programme; ▪ Land Availability for Strategic Development; ▪ SMMEs support through Public Procurement; ▪ Implementation of Township Economy Strategy; ▪ Enabling Public Transport System; ▪ Massive Infrastructure Investment; ▪ Promote Localization and Production; <p>In this regard, the Community Enterprise Division within the Economic Department seeks to respond to this strategic intend and ensure accelerated and shared economic growth through skills development, Cooperatives development and SMME's development and support. To achieve this a framework that sets the broad parameters for economic empowerment and radical transformation to be realised is necessary.</p> <ul style="list-style-type: none"> • Pitching booster • Ekurhuleni Community Enterprise Development Fund

Activity	Description
Current Progress	<p>Pitching Booster Programme</p> <p>Small Business has been put forward as an important contributor towards economic growth, job creation and redress but faces many headwinds in South Africa that have hampered their development. Access to finance and more recently challenges around climate change are key barriers.</p> <p>The main factors critical to growth of SMMEs includes:</p> <ul style="list-style-type: none"> * Training of Entrepreneurs * Non-financial support * Access to market * Funding and policy's that favour business <p>The City of Ekurhuleni, in partnership with the National Youth Development Agency, implemented the Pitching Booster programme. The initiative provided business training for entrepreneurs from around Ekurhuleni to equip entrepreneurs before pitching their ideas at the Ekurhuleni Pitch Booster sessions, an initiative of the City and the National Youth Development Agency.</p> <p>The City of Ekurhuleni and National Youth Development Agency and partners hosted a Pitching Booster at Kwa-Thema Business Park on 7 December 2019. The Pitching Booster is an excellent opportunity for entrepreneurs to pitch their businesses to a panel of judges. The entrepreneurs pitching were from Daveyton, Kwa Dukathole, Kempton Park, Thokoza and Tembisa.</p> <p>Focus sectors for the Pitching Booster are ICT, Agriculture or Agro-processing, Smart and Advance Manufacturing, Business Process and Logistics. Entrepreneurs were offered business training, weeks before the Pitch Booster, by NYDA on how to start and run successful businesses.</p> <p>Training provided offers the Smart and Improve your Business programme which guides entrepreneurs in improving, growing their businesses and drawing up a marketing plan. The training provides practical tips and guides such as legal business forms, monthly purchase forms and cash flow plans to guide entrepreneurs on their business journey</p>
Future activities of the project	Over the next three years, the municipality is stepping up its partnerships with Private Sector, Communities, and Development Finance Institutions, Business Chambers to realise the vision of the Ten Point Plan, and to carry out the reforms needed to transform the Economy.

Activity	Description
1. Ekurhuleni Community Enterprise Development Fund	
Purpose of the project	To improve access to capital and to reduce the cost of capital for Ekurhuleni based entrepreneurs, small businesses and cooperatives.

Current progress on project	<p>The State of the City (SOCA) address of 27th March 2019 by the Executive Mayor pronounced on a re-engineering of the enterprise development environment in the City of Ekurhuleni in order to stimulate the economy and to unlock economic opportunities for the community of Ekurhuleni.</p> <p>To that end the City allocated a budget that intended to syndicate enterprise and supplier development interventions through non-financial and financial means as the Ekurhuleni Community Enterprise Development Fund is envisaged to be a game-changing intervention that would facilitate economic and social transformation, by reposition entrepreneurship as a pivotal component of the regional economy.</p> <p>The City of Ekurhuleni launched the R120m Ekurhuleni Community Enterprise Development Fund (ECEDF) at Kwa-Thema Business Park on 6 December 2019. The fund is an initiative geared towards support to community enterprises, entrepreneurs, informal traders, business chambers and formal business.</p> <p>Over and above the esteemed CoE community, the following dignitaries were in attendance: Minister of Small business Khumbudzo Ntshaveni, National Empowerment Fund CEO Philisiwe Mthethwa, Chairperson of the National Youth Development Agency Sifiso Mtshweni and MMC for Finance and Economic Development Cllr Nkosiphindile Xhakaza and other strategic partners.</p> <p>The application period for the grant element was opened between the 11th of November 2019 to the 31st of January 2020. Information roadshows were held in all regions of the City to help potential beneficiaries better understand the requirements of the Fund.</p>
Future activities of the project	<p>The Department is now at the point of doing the evaluation of the applications received. The Economic Development Department has also signed and Memorandum of Agreements (MoA) with the National Empowerment Fund (NEF) who will also co-fund the soft loan element of the ECED Fund over three years.</p> <p>The ECED Fund will be rolled out for the next two financial year as per budgets availability. The Department is in the process of negotiating other strategic partnerships with two DFI, namely Small Enterprise Development Agency (SEDA), Gauteng Enterprise Propeller (GEP) and National Youth Development Agency (NYDA)</p>

Activity	Description
2. Ekurhuleni Farm Release Programme	
Purpose of the project	To package and release Council owned farms through an open call for proposals process to community groups, cooperatives, emerging and commercial farmers to the lease the land for 9 years and 11 months
Current progress on project	<p>On the 13 September 2019, the Economic Development Department issued a Request for Proposal for the leasing the 56 Council-owned farms for a period of nine years eleven months. This tender was opened for 60 days and closed on 13 November 2019. The Economic Development Department is now at point whereby the proposals are being evaluation. 279 bidders were received and are being adjudicated.</p> <p>The department has successfully negotiated and concluded key partnerships with private sector partners and government agencies. The partners include Tiger</p>

	Brands, the Land Bank and the Agricultural Research Council. The partners will provide off-take agreements to the beneficiaries of the programme
Future activities of the project	The Economic Development Department and Real Estate Department are working together with a viewpoint of releasing the next round of calls for proposals for more farms to be released to potential beneficiaries of the farm release programme.

Activity	Description
2. OR Tambo International Airport 's Visitor Information Centre	
Purpose of the project	To provide information to tourists about Destination Ekurhuleni and what it provides, guide and direct tourists to places of interest and attractions, as well as to create a welcoming experience for tourists in the City
Current progress on project	<p>The State of the Art Visitor Information Centre situated at the OR Tambo International Airport, started operating on the 26 July 2019, manned by City Officials on a rotational basis. Brochures and information is being disseminated to tourists and visitors on a daily basis.</p> <p>Currently, the Economic Development Department is engaging with ICT Department for internet connectivity at the facility, which will unlock its potential further increasing communication mileage.</p>
Future activities of the project	The future plans include the development of the tourism information and management system, and a website which will enable tourists and visitors to be able to book for accommodation and other services at the facility.

Over and above this important activity, to respond to the call **to enhance local tourism through tourism corridors and product development, leveraging on the use of Council facilities and customized tours on heritage routes;**

The department will rollout customized tours on heritage routes City-wide, wherein, currently the **Kathorus Transformational Tour** as a pilot is being facilitated.

Why do heritage tours?

- Need for the integration of heritage and culture into mainstream tourism, or heritage and cultural tourism product development, sustainable tourism and economic development;
- Provide an opportunity for profiling and promoting the diverse heritage resources of City of Ekurhuleni through tourism product development;
- Need to improve the development and representation of heritage and cultural tourism products in the tourism market;
- Opportunity for the diversification of tourism products and the formalization of the segment or niche market of heritage and cultural tourism through the Ekurhuleni Tourism and Heritage Route;
- Need to unlock the economic potential of heritage and cultural tourism products and measure the impact;
- Opportunity to raise awareness of the intrinsic educational and conservational value of culture and heritage.

Expected outcomes of the tours

- Increased visitation to the City of Ekurhuleni heritage tourism products.

- Development of new business opportunities which strengthen local economies.
- Preservation of culture and heritage products.

Activity	Description
3. Implementation & Coordination of the Metro-Wide Job Creation Programme	
Purpose of the project/programmes	To implement and coordinate city-wide interventions that create short- medium-and-long-term work opportunities through the provision of infrastructure driven work opportunities, training, experiential learning placements with private sector.
Current progress on projects/programmes	<p>The department is implementing the following Infrastructure-Driven & Skills Development Programmes:</p> <p>1. Expanded Public Works Programme (EPWP)</p> <p>This Programme is a key government initiative, which contributes to Government Policy Priorities in terms of decent work & sustainable livelihoods, education, health; rural development; food security & land reform and the fight against crime & corruption.</p> <p>In its nature, the EPWP participants' employment period is determined by the project implementation period. Besides, the number of work opportunities created, the programme has successfully made a significant socio-economic impact to the communities of Ekurhuleni through the creation and maintenance of community assets</p> <p>The opportunities offered through both Capex and Opex projects has to date, created 9069 work opportunities in the City.</p> <ul style="list-style-type: none"> • EPWP Vuk'uphile Contractor Learnership Programme <p>The Department is also implementing EPWP Vuk'uphile Contractor Learnership Programme, which a programme is focusing on developing emerging contractors. Currently there are 102 learner contractors and 102 learner supervisors that were on the programme since 2016.</p> <p>2. Community Skills Development</p> <p>Subject to the availability of funds, the following programmes are implemented under Community Skills Development :</p> <ul style="list-style-type: none"> • Community Learnerships <p>Learnerships are implemented in partnership with various organizations in the region. The learnership programmes are also implemented in various departments within the city and varies in terms of duration and minimum entry requirements. The skills are offered primarily for effective and efficient service delivery initiatives. This in turn, uplifts the skills base for the City. In essence, learnerships strive to align training interventions (courses) more closely to labour market needs. The programmes implemented includes; Electrical Apprenticeship, Pharmacy Assistance, Municipal Finance Management, Call Centre Learnership, Disaster Management, Horticulture, Community House Building, Project Management, Early Childhood Development.</p> <ul style="list-style-type: none"> • Youth Placement Programme <p>Ekurhuleni faces unprecedented challenges that are manifested through amongst other things; higher unemployment rates, large number of employment seekers who cannot enter the labour market, low education and poor skills base. Young people are mostly affected by this challenge of unemployment. The</p>

Activity	Description
	<p>Department continues to place learners through the Work Readiness Placement Programme with private sector.</p> <ul style="list-style-type: none"> Bursary Provision As part of Community Development, the Economic Development has been cascaded the responsibility of Bursary provision in the City. This is part of the overall Organizational Youth Development Programme for the Municipality. The aim of the bursary scheme is to increase the knowledge and also to improve the employability of bursary holders after studies have been completed. This is a strategic project that supports the achievement of service delivery goals (Youth Development Programme and Job Creation). The Department is currently preparing for the 2020 Community Bursary Allocation. Unemployed Graduates Youth Work Readiness Placement Programme The City of Ekurhuleni offers a placement opportunity to the youth of the City, this programme is one of the Mayoral priorities to enhance skills development and job creation Ekurhuleni faces unprecedented challenges that are manifested through amongst other things; higher unemployment rates, large number of employment seekers who cannot enter the labour markets, low education and poor skills base. Young people are mostly affected by this challenge of unemployment. The programme is a continuation of the current youth placement programme and seeks to place at least 2000 unemployed youth with third party institutions.
Future activities of the project	The department will continuously implement and coordinate the metro-wide skills development and job creation programme, as well as improve and build new economic infrastructure.
Activity	Description
4. Revitalisation of Township Economies	
Purpose of the projects	To create an environment in which township enterprises can flourish and grow.
Current progress on project	<p>The Economic Development Department has been working to attract private sector investment to the townships within the BEPP framework.</p> <p>Most of the projects have been on the retail sector as new shopping centres being built around the City's townships. The Department has also been building economic hubs in Ekurhuleni townships that will be used by small businesses operating different enterprises.</p> <p>Economic partnership agreements have been concluded that will result in the support of township based businesses in the form of procurement opportunities, provision of infrastructure, skills development and access to capital.</p>
Future activities of the project	The Department is in the process of conceptualizing the release of commercial and business sites in the townships that will allow entrepreneurs to lease Council owned properties for commercial use.

Activity	Description
5. Revitalisation of Manufacturing Sector	
Purpose of the project	To stimulate industrial activity, efficiencies and competitiveness of industrial and manufacturing sector entities through the implementation of the 13 Pillar Programmes.
Current progress on project	<p>The Revitalization of the Manufacturing Sector project is being implemented through the 13 Pillar Programme where a number of instruments have been identified to activate the 13 Pillars and these are as follows:</p> <ul style="list-style-type: none"> • 5-year Industrial Development Policy, Strategy and Programme • 10-year Industrial Development & Upgrade, Productivity Improvement and Competitiveness Programme • 10-year Economic Development Strategy and Programme of Action • National Cleaner Production Centre (NCPC-SA) • Investment and Development Facilitation Strategic Policy Framework • The Manufacturing Indaba • Aerotropolis Annual Investment Conference and Exhibition <p>The strategies and programmes listed above are undertaken to inform a more organised industrial development the City is pursuing and to identify value chain opportunities to inform the development of the industrial sectors cluster programmes. The City's strategies and programmes are developed in alignment with the National Government strategies, programmes and priorities such as the Industrial Policy Action Plan (IPAP).</p>
Activity	Description
6. Ekurhuleni Aerotropolis Development Programme	
Purpose of the project	To implement the Ekurhuleni Aerotropolis Masterplan, thus unlocking the City's growth potential, leveraging the advantage of housing an international airport.
Current progress on project	<p>The successful implementation of the Ekurhuleni Aerotropolis programme hinges on the ability of the CoE to provide for a dedicated and highly skilled and non-structural capacity whose mandate is to lead, leverage, develop and implement the Ekurhuleni Aerotropolis Master Plan.</p> <p>The City of Ekurhuleni Metropolitan Municipality at a council meeting held on 26 July 2018 under item CORP (14-2017) and CORP (15-2017) resolved to pass the By-law for the establishment of the Ekurhuleni Development Agency. The By-law was then gazetted by the Provincial government on 25 August 2018, where the main purpose and objective of the EDA is to inter alia:-</p> <ol style="list-style-type: none"> a) promote sustainable economic growth and transformation within the City; b) enhance the quality of life of the community which the City serves; c) enhance branding and international promotion of the City in terms of the SDA; d) enhance investment attraction and retention of investors to the City in terms of the SDA; e) improve business and governmental efficiencies in creating opportunities for growth through coordinated access to competitive funding in terms of the SDA;

	<p>f) enhance strategic real estate, urban realm and infrastructure development within the City in accordance with the SDA;</p> <p>g) enhance partnership facilitation, planning and prioritised planning of strategic programmes and projects within the City in accordance with the SDA;</p> <p>h) provide outdoor advertising management services to the City in accordance with the SDA.</p> <p>Therefore, the current climate warrants that the section 78 process to establish the Ekurhuleni Aerotropolis Development State Owned Company be institutionalized in alignment with the approved Ekurhuleni Economic Development Agency,</p> <p>Over and above this process, pockets of work have been underway in the following spaces that are all fragments under the Aerotropolis banner;</p> <ul style="list-style-type: none"> • The implementation of the Ekurhuleni Investment Facilitation Matrix to realize the imperatives of the 30-year Ekurhuleni Aerotropolis Master Plan. • Designs for the Rhodesfield link bridge are underway. • Commencement of the Airports Company South Africa (ACSA) O.R. Tambo Western Precinct Development • Three (3) Precinct Plans are underway. • The North - East Precinct is now complete on the East of O.R. Tambo International Airport. • Twenty-Three (23) Feasibilities Studies have been completed based on the Precinct Plans.
Future activities of the project	Facilitation of the 21 Catalytic projects in the various stages, resources and opportunities available as well as the enablers to the success of the Aerotropolis programme.

Table 59 Operating Budget of the Economic Development Department

	2019/20 - Revised Budget	2019/20 - YTD as at 29th February 2020	2020/21 Draft Budget	2021/22 Draft Budget	2022/23 Draft Budget
	R	R	R	R	R
ECONOMIC DEVELOPMENT					
Revenue By Source					
Rental of facilities and equipment	2 399 109	629 759	911 984	961 231	1 013 137
Interest earned - external investment	29 216	55 021	30 794	32 457	34 210
Transfers and subsidies	22 022 000	17 731 004	19 104 000	-	-
Other revenue	23 224 938	16 302 196	24 479 085	25 800 955	27 194 206
Total Revenue (excluding capital transfers and contributions)	47 675 263	34 717 981	44 525 863	26 794 643	28 241 553
Expenditure By Type					
Employee related costs	125 614 660	73 996 465	130 984 073	120 830 478	130 496 916
Depreciation & asset impairment	3 728 161	2 485 448	3 914 569	4 110 297	4 315 812
Finance charges	42 344 555	25 113 532	44 631 161	47 041 244	49 581 471
Other materials	91 322 094	14 004 995	88 091 926	88 188 319	88 289 917
Contracted services	14 207 472	1 077 289	17 433 239	17 534 134	17 640 477
Other expenditure	74 242 804	17 023 769	72 608 790	72 780 248	72 964 323
Total Expenditure	351 459 746	133 701 498	357 663 758	350 484 720	363 288 916
Surplus/(Deficit)	(303 784 483)	(98 983 517)	(313 137 895)	(323 690 077)	(335 047 363)
Surplus/(Deficit) after capital transfers & contributions	(303 784 483)	(98 983 517)	(313 137 895)	(323 690 077)	(335 047 363)
Surplus/(Deficit) after taxation	(303 784 483)	(98 983 517)	(313 137 895)	(323 690 077)	(335 047 363)

2.10.8 CITY OF EKURHULENI METRO POLICE DEPARTMENT (EMPD)

The result statements of the department are contained in the IDP in Annexure A

Key projects of the Ekurhuleni Metro Police Department

- Improve organisational effectiveness in policing services (crime prevention, by-law enforcement, security and traffic law enforcement).
- Improve organisational governance vs. creating a better/improved enabling environment in EMPD.
- Build a new 'officer core' and improve discipline among the ranks.
- Grow community engagement (through social crime prevention programmes and Community Policing Forums).

Operating Budget of the City of Ekurhuleni Metro Police Department

The EMPD Operating Expenditure Budget comprises mainly of remuneration-related (salaries etc.) expenses which is 78% of the total budget. Contracted services, which includes the security services and back office contract, comprises a further 15% of the budget. The balance of 7% is budgeted for the other general expenses including the operational costs, inventory and operating leases.

One of the single greatest cost components of the EMPD (excluding salaries) is that of the outsourced contracted services (which includes the security services contract) which is a total of 13% of the total OPEX budget.

The Operating Budget per category is attached hereto.

Table 60 Operating Budget of the City of Ekurhuleni Metro Police Department

EKURHULENI METRO POLICE DEPARTMENT	2019/20 - Revised Budget R	2019/20 - YTD as at 29th February 2020 R	2020/21 Draft Budget R	2021/22 Draft Budget R	2022/23 Draft Budget R
Revenue By Source					
Fines, penalties and forfeits	601 096 305	88 046 204	622 813 106	656 445 014	691 893 044
Licences and permits	305 915 543	200 526 485	322 434 985	339 846 476	358 198 184
Other revenue	1 301 517	1 872 158	1 371 801	1 445 878	1 523 954
Total Revenue (excluding capital transfers and contributions)	908 313 365	290 444 847	946 619 892	997 737 368	1 051 615 182
Expenditure By Type					
Employee related costs	1 695 106 749	1 225 325 262	1 830 715 291	1 977 172 512	2 135 346 321
Debt impairment	345 600 000	115 200 000	480 000 000	528 000 000	580 800 000
Other materials	55 781 263	37 832 268	37 293 864	38 577 500	39 930 450
Contracted services	429 816 212	249 596 530	292 667 656	306 458 859	320 994 786
Other expenditure	88 736 147	60 493 096	91 419 849	95 773 205	100 396 310
Total Expenditure	2 615 040 371	1 688 447 156	2 732 096 660	2 945 982 076	3 177 467 867
Surplus/(Deficit)	(1 706 727 006)	(1 398 002 310)	(1 785 476 768)	(1 948 244 708)	(2 125 852 685)
Surplus/(Deficit) after capital transfers & contributions	(1 706 727 006)	(1 398 002 310)	(1 785 476 768)	(1 948 244 708)	(2 125 852 685)
Surplus/(Deficit) after taxation	(1 706 727 006)	(1 398 002 310)	(1 785 476 768)	(1 948 244 708)	(2 125 852 685)

2.10.9 ENERGY

The result statements of the department are contained in the IDP in Annexure A

Key Strategic Projects of the Energy Department

Key performance indicator	Key strategic interventions
Unaccounted for electricity	Removal of illegal connections, monitor possible tampering with meters, quick response to meter maintenance, capital projects to safeguard revenue, reduction of interim meter readings.
PV solar lighting units installed in informal settlements	Identify informal settlements for installation
Installed capacity of alternative/renewable power	Conclude power purchase agreements; install photovoltaic solar panels on Council owned buildings roof tops
Electrification of subsidised households and households in informal settlements	Re-block of informal settlements; beneficiary audit; permission to occupy (private land); guidance on beneficiaries with no identity documents. (All to be concluded by Human Settlements department).
Street lights installed	Linked with electrification
High mast lights installed	Linked with electrification
%age downtime of network availability	Maintain/improve security of distribution equipment; refurbishment or repair of medium and high voltage cables

Operating Budget of the Energy Department

The Operating Budget of the Energy Department consists mainly of the repairs and maintenance and bulk purchases in terms of operating expenses and electricity sales in respect of operating income.

An amount of R713m is allocated for preventative maintenance of the electrical infrastructure and energy efficiency.

Refurbishment / Preventative maintenance

Work with regard to the refurbishment budget is prioritised based on the department's approved asset management refurbishment programme and will be amended as and when required in order to address newly identified priorities. Forced interruption statistics, local knowledge, asset age and inspection results are used to identify refurbishment projects. A detailed multi-year refurbishment plan has been compiled and is currently being implemented by the department.

Repairs and Maintenance

Repairs and maintenance forms part of the department's daily asset management activities. Repairs are carried out as and when required. Maintenance is done in accordance with the department's approved maintenance plan.

OPERATING INCOME

Energy Department will continue to focus efforts on accurate metering, a reduction in energy losses and migrate indigent customers to prepayment metering. Efforts to reduce meter tampering and illegal connections will continue, as will projects against cable and copper theft. Finally, the continued installation of energy efficient streetlights and also LED signals for all traffic lights would assist in reducing energy consumption in municipal operations.

The 6-monthly Energy income budget prediction of almost R8, 3 billion is perfectly achieved at the 2nd quarter of 2019/2020, that is, at a value of 100% billed against predicted income. Similarly, bulk purchases are at 99, 6% of the predicted budget, being only 0, 4% under the predicted budget of almost R6,2 billion. Electricity unit losses are at 12, 5%, which is slightly above the second quarter SDBIP target of 12%. Projects are underway to bring the value down to within the target value set.

The Operating Budget per category is shown below.

Table 61 Operating Budget of the Energy Department

	2019/20 - Revised Budget	2019/20 - YTD as at 29th February 2020	2020/21 Draft Budget	2021/22 Draft Budget	2022/23 Draft Budget
ENERGY	R	R	R	R	R
Revenue By Source					
Service charges	15 402 049 982	10 481 070 207	16 656 042 722	17 757 007 147	18 930 745 318
Rental of facilities and equipment	4 272 068	3 100 436	4 502 760	4 745 909	5 002 188
Interest earned - external investments	95 824 000	32 761 914	100 998 496	106 452 415	112 200 845
Fines, penalties and forfeits	7 939 874	3 348 143	8 368 627	8 820 533	9 296 841
Transfers and subsidies	589 752 162	442 314 121	665 659 873	734 967 008	804 220 512
Other revenue	19 376 378	11 910 198	20 422 707	21 525 530	22 687 908
Total Revenue (excluding capital transfers and contributions)	16 119 214 464	10 974 505 020	17 455 995 185	18 633 518 542	19 884 153 612
Expenditure By Type					
Employee related costs	547 019 556	389 520 660	590 797 313	638 061 111	689 105 998
Debt impairment	939 019 478	626 012 992	974 419 682	1 071 861 650	1 179 047 815
Depreciation & asset impairment	411 356 274	274 237 520	407 461 131	427 834 188	449 225 897
Finance charges	102 982 996	61 111 484	108 544 078	114 405 458	120 583 353
Bulk purchases	11 735 605 954	7 732 088 421	12 547 379 959	13 413 149 176	14 338 656 470
Other materials	832 426 003	595 905 718	833 905 838	885 577 440	939 563 453
Contracted services	486 129 729	290 423 280	741 911 186	782 892 858	826 148 643
Other expenditure	31 052 690	16 601 188	48 035 106	50 047 415	52 186 911
Loss on disposal of PPE	-	1 521 769	-	-	-
Total Expenditure	15 085 592 680	9 987 423 033	16 252 454 293	17 383 829 296	18 594 518 540
Surplus/(Deficit)	1 033 621 784	987 081 987	1 203 540 892	1 249 689 246	1 289 635 072
Transfers and subsidies - capital	242 302 337	74 553 214	230 000 000	130 000 000	130 000 000
Surplus/(Deficit) after capital transfers & contributions	1 275 924 121	1 061 635 200	1 433 540 892	1 379 689 246	1 419 635 072
Surplus/(Deficit) after taxation	1 275 924 121	1 061 635 200	1 433 540 892	1 379 689 246	1 419 635 072

2.10.10 ENVIRONMENTAL RESOURCE AND WASTE MANAGEMENT

The mandate and core business of the department is given gravitas and reinforced by Section 24 of the Constitution which makes provisions that everyone has the right to:

- (a) an environment that is not harmful to their health or well-being;
- (b) have the environment protected, for the benefit of present and future generations

The Department is the custodian of the environment in Ekurhuleni and therefore have a responsibility to foster sustainable development that promotes clean and green environment. As ambassadors of the environment in the City, it seek to promote the health and safety of residents by enhancing the quality of life through provision of clean environment including amenities such as parks. Departmental programmes are strategically designed to respond to the GDS theme namely: Re-generate to achieve environmental wellbeing and Re-mobilize to achieve social empowerment. Its operations are guided by national strategic goal of Sustainable Resource Management which has the following goals:

- Protect and manage natural resources and environment;
- Promote good waste management including diversion of waste from landfill through maximising recycling and to contribute to sustainable employment;
- Support the development and utilisation of green technologies and processes

The City is home to a hub of manufacturing, logistics and transport industries, therefore the risk of environmental pollution is impacted by various sources from these industries. The role of the Pollution of the environment impacts on the quality of water resources, land and air and this can have negative health and social impacts for the city. Sustainable

development of these industries requires protection of the environment to benefit both current and future generation. The services rendered by the Environmental Resources Management and Waste Management Services Department are, for budget purposes, divided into two categories, namely:

(a) Income generating services:

This include services such as the weekly household and daily business collection, Bulk container services; Litter picking in commercial and industrial areas; Operation and management of landfill sites as well as Parks and cemeteries.

(b) Non-income generating services

These services include mini refuse disposal sites/transfer stations; Litter picking in all areas excluding commercial and industrial areas; parks, rehabilitation of old disposal sites; removal of illegal dumping and all services provided in the informal settlements.

STRATEGIC OUTCOME ORIENTED GOALS FOR THE DEPARTMENT AND LINKAGES TO MSTF OUTCOMES

Strategic Outcome Orientated Goal	Sustainable Natural Resource Management	
Goal Statement	<p>The intention of this goal is to:</p> <ul style="list-style-type: none"> • Protect and manage natural resources and environment. • Promote good waste management including diversion of waste from landfill through maximising recycling and to contribute to sustainable employment. • Support the development and utilisation of green technologies and processes • Boost energy security including through the development of suitable energy mix solutions 	
Justification	This goal responds to the situation analysis and performance environment derived from the socio-economic directives contained in the NDP, the MTSF, and the June 2014 SONA, Gauteng SOPA and the COE GDS 2055	
Links	NATIONAL OUTCOME	OUTPUT
	OUTCOME 8: Sustainable Human Settlements and an improved quality of household life	OUTPUT 2: Improve Access to basic service
	OUTCOME 9: Responsive, accountable, effective and efficient local government system	OUTPUT 2: Improving Access to Basic Services
	OUTCOME 10: Environmental assets and natural resources that are well protected and continually enhanced	OUTPUT 2: Reduced greenhouse gas emissions, climate change impacts and improved air/atmospheric quality
		OUTPUT 3: Sustainable environmental management

Departmental strategic focus areas for the 2016-2021 term

BUSINESS AS USUAL	KEY STRATEGIC INTERVENTIONS
<ul style="list-style-type: none"> • Management of burials and promoting alternative burials • Maintaining and development of parks • Wetland rehabilitation Strategic guidance and advice on climate change resilience • Enforcement of environmental legislation • Protection of natural resources • Promoting a clean and green environment • Improving the aesthetics of the city • Promoting green building principles for all new developments • Improve norms and standard profile for the department 	<ul style="list-style-type: none"> • Development of Environmental Outlook Report • Develop a baseline quantification of a low carbon emission plan for the City of Ekurhuleni • Comprehensive spatial assessment of the status of biodiversity within COE (Update of bioregional plan) • Water quality monitoring programme for environmental indicators • Develop biodiversity stewardship programmes • Enhance and strengthen partnerships with various stakeholders e.g. CBO, NGO, Industries etc. • Follow-up and Implementation of identified projects from EBOSS, AQMP, Climate Change Strategy • 2010 Legacy Projects revitalized (Entrance Beautification & viewing areas) • Community Area-based grass-cutting contract operational • 25 Parks developed as per standards • Parks and Cemeteries renamed • Medicinal Nursery developed and operationalized • Additional Cemetery Land procured • Intensify maintenance of water bodies and rehabilitation programmes • Development of heroes acre policy
Provision of waste management services	Development of new airspace in the northern service delivery region
Roll-out of the 240 litre bins	Bins that are being rolled out are fitted with an RFID chip. This would enable the department to track mobility of the bins to minimize loss
Maintaining the cleanliness of all CBDs	Introduction of night shift in all townships
Provision of services in the informal settlements	Installation of bulk walk-in containers in all informal settlements
Promoting waste minimization activities	Creating strategic partnerships with civil society and the community for recycling as well as upgrading infrastructure to support these initiatives in Township areas.
Waste to energy project	Creation of strategic partnerships to grow the green

BUSINESS AS USUAL	KEY STRATEGIC INTERVENTIONS
	energy into the electricity grid
By –law enforcement	Strategic partnerships with the community to monitor and report on by-law compliance and enforcement as well as review of all environmental by-laws

Amongst a list of obligation the department would execute, there are strategic focus areas that are aligned to the local government manifesto and mayoral Lekgotla resolutions. In lieu of the recent structural rationalization and re-alignment the following will be key focal areas:

Business process reengineering

The department will continue to embark on a Business Process Re-engineering (BPR) to ensure that the management of the department introspectively analyses and redesigns key operations within the department in order to achieve improvements in critical operations, reduce costs, stabilize, standardize and modernize service delivery operations. In this regard, the department undertook multiple assignments to rationalize its key operations aimed at bringing not only efficiencies but also cost saving measures through:

- Creation of a new micro organizational structure with defined and refined responsibilities.
- Reviewing the existing by-laws and policies
- Crafting and reviewing operational plans
- Up scaling of services in previously disadvantaged areas
- Promoting alternative burial methods
- Improving vertical and horizontal coordination of dependency factors to minimize its impact on service delivery
- Undertake scientific investigation to improve the quality and predictability of services
- Provision of bulk walk-in containers in the informal settlements
- Pursue a turnaround strategy to improve service delivery.
- Progressive maintenance programme for existing all facilities, infrastructures and equipment.

Developmental contract model

As part of the contribution towards the revitalization of the township economy, the department appointed Development Contractors to render comprehensive refuse removal services and through the Community Based Contractors. This economic intervention will create 48 new entrepreneurs within the waste sector township economy with 852 sustainable jobs created over a period of five years. Furthermore, the department will employ community based Cooperatives to render basic waste management services in the informal settlements. Plans are afoot to appoint six Development Contractors and 36 Community Based Contractor, 11 Recycling Cooperatives and 17 local cooperatives to clean townships and informal human settlements.

Keep Ekurhuleni Clean Program

Clean City Programme was established with a key objective of localizing cleaning programmes by offering a platform for communities to take charge of cleaning the spaces in which they live, play and work. Just to ponder on a few highlights since this programme

was established, the launch took place in Tsakane on the 24th October 2015 with a huge clean-up operation in Tsakane. Communities got on board and helped the team clean up. This programme has seen more than 3000 brigades being contractually engaged.

Lessons learned from previous episode of the campaign led to the City to remodeling the campaign and make it a ward based programme. In the new model service providers are going to be engaged for each service delivery region to act as project managers. The participants will be recruited from the wards to minimize travelling off participants to areas of work. There would be 20 brigades recruited per ward totaling 2240 brigades, 112 supervisors and 20 coordinators each deployed per customer care area.

The effects of littering and illegal dumping, poor waste management practices take away the economic potential of the city. After a successful implementation of the programme during the previous financial year, clean city programme will be reintroduced in 2018/19 with a new approach.

Development and upgrading of parks

The department has developed a parks classification policy named urban parks modernisation and classification policy. The purpose of the policy is to. The intention of the Urban Parks Modernization and Classification Policy is to guide the Parks and Cemeteries Division of CoE in its modernization and classification of all parks. The Policy will also assist all other internal CoE departments in planning of functions relating to their role within CoE Parks. Green spaces, quiet streets and recreational parks are important for relaxation, health and sport, nature watching and social activities. Open areas and green parks are important building blocks for promoting quality of life in urban environments.

Climate change imperatives and interventions

The department has developed a climate change response strategy. The strategy will aid the organization in dealing with the issues and impacts related to the fast changing climate. The Climate Change Response Strategy is the overarching framework for climate change actions for the Ekurhuleni city. Addressing the effects of climate change, environmental degradation and reduction of GHG emissions not only improves the natural environment, ecosystem services and living habitat, but also helps municipalities in three dimensions of sustainability: economic, environmental, and social.

Promote environmental awareness and environmental education

Education and public awareness is an integral part of sustainable development and an important part of a community's understanding of the environmental impacts and how these relate to their actions. Lack of knowledge by industry and community members can cause the degradation of the environment. The empowerment of industry and communities with regards to the environment not only enables them to understand what may be wrong and how they can rectify this, but also enables understanding and appreciation, which in turn leads to a desire to conserve and protect the surrounding environment. Promoting environmental education and awareness will enhance the understanding of environmental rights, responsibilities and the protection and appreciation of the environment.

Development and upgrading of cemeteries

The department has been able to seamlessly provide graves and burial services to the community. Upgrading of cemeteries took place in the various regions according to

backlogs in development and infrastructure requirements. The following cemeteries were upgraded; North 4; South 6 and East 8. Additional land for cemetery development is constantly being investigated and additional land next to Thomas Nkobi Cemetery was procured.

Maintaining sufficient burial space is a challenge in Ekurhuleni. Various alternative burial services have been added to council's menu of choices however the majority of burials still use the old traditional methods. The constant challenge is to educate the public and to encourage new alternative burial services. The procurement of additional land is a very lengthy and bureaucratic process and not always successful as sellers of land are impatient.

Beautification of open spaces around prioritized lakes, dams and township entrances

To date the department has completed the beautification of Boksburg Lake, Upgrade of Murray Park at Alexander or President Dam, cleaning of dams and upgrading Bunny Park. Beautification of seven township entrances were completed. The department will continue to beautify spaces around lakes and dams. Projects in the 2019/20 FY include Rehabilitation of Boksburg lake, planning for the rehabilitation of Brakpan dam, continuation of developing and upgrading Murray Park in Springs

Table 62 Operating Budget of Environmental Resource and Waste Management

	2019/20 - Revised Budget	2019/20 - YTD as at 29th February 2020	2020/21 Draft Budget	2021/22 Draft Budget	2022/23 Draft Budget
ENVIRONMENTAL RESOURCE AND WASTE MANAGEMENT	R	R	R	R	R
Revenue By Source					
Service charges	1 531 105 573	913 580 248	1 661 249 546	1 802 455 756	1 955 664 497
Rental of facilities and equipment	808 873	320 600	852 553	898 591	947 115
Interest earned - external investm	52 500 000	39 933 668	55 335 000	58 323 090	61 472 537
Transfers and subsidies	572 635 345	429 476 510	627 282 666	692 633 443	758 889 629
Other revenue	34 896 857	16 706 771	35 075 956	36 970 057	38 966 441
Total Revenue (excluding capital transfers and contributions)	2 191 946 648	1 400 017 797	2 379 795 721	2 591 280 937	2 815 940 219
Expenditure By Type					
Employee related costs	1 092 904 388	721 308 343	1 211 164 082	1 308 057 222	1 412 701 796
Debt impairment	43 680 597	29 120 400	44 959 865	49 455 852	54 401 437
Depreciation & asset impairment	58 416 090	38 944 064	61 336 895	64 403 740	67 623 927
Finance charges	80 075 859	22 222 358	84 399 955	88 957 553	93 761 261
Other materials	160 927 908	99 585 654	200 732 526	210 243 350	220 267 757
Contracted services	478 889 059	248 842 892	601 493 918	633 196 233	666 610 459
Other expenditure	99 450 266	53 696 515	98 443 122	103 870 596	109 628 239
Total Expenditure	2 014 344 167	1 213 720 226	2 302 530 363	2 458 184 546	2 624 994 876
Surplus/(Deficit)	177 602 481	186 297 572	77 265 358	133 096 391	190 945 343
Transfers and subsidies - capital	2 000 000	-	3 000 000	3 000 000	-
Surplus/(Deficit) after capital transfers & contributions	179 602 481	186 297 572	80 265 358	136 096 391	190 945 343
Surplus/(Deficit) after taxation	179 602 481	186 297 572	80 265 358	136 096 391	190 945 343

2.10.11 EXECUTIVE OFFICE

The Executive Office cost centre is the cost centre of the executive arm of the political office being the Office of the Executive Mayor and the Members of Mayoral Committee.

Operating Budget of the Executive Office Department

The budget consists mainly of salaries, councillor remuneration and operational expenditure-related to the administration of the function.

Table 63 Operating Budget of Executive Office

	2019/20 - Revised Budget	2019/20 - YTD as at 29th February 2020	2020/21 Draft Budget	2021/22 Draft Budget	2022/23 Draft Budget
EXECUTIVE OFFICE	R	R	R	R	R
Expenditure By Type					
Employee related costs	79 514 173	44 630 864	85 875 306	92 745 330	100 164 955
Remuneration of councillors	12 134 556	7 561 126	13 105 318	14 153 738	15 286 033
Depreciation & asset impairment	832 895	555 264	874 540	918 267	964 180
Other materials	12 144 155	4 868 969	10 926 396	10 930 474	10 934 773
Contracted services	712 298	447 330	237 908	245 478	253 456
Transfers and subsidies	5 284 212	4 638 197	1 889 766	1 889 766	1 889 766
Other expenditure	36 914 568	1 620 425	33 267 312	33 413 101	33 570 497
Total Expenditure	147 536 857	64 322 176	146 176 546	154 296 154	163 063 660
Surplus/(Deficit)	(147 536 857)	(64 322 176)	(146 176 546)	(154 296 154)	(163 063 660)
Surplus/(Deficit) after capital transfers & contributions	(147 536 857)	(64 322 176)	(146 176 546)	(154 296 154)	(163 063 660)
Surplus/(Deficit) after taxation	(147 536 857)	(64 322 176)	(146 176 546)	(154 296 154)	(163 063 660)

2.10.12 FINANCE DEPARTMENT

The result statements of the department is contained in the IDP in Annexure A

The Finance Department Revenue Enhancement flagship project is Siyakhokha Siyathuthuka “**We pay and We Progress**”. This flagship project has been launched throughout the City of Ekurhuleni at the various CCA’s. Siyakhokha online platform has also been created which enables customers to view and pay their accounts online without having to stand in queues.

Aim of Customer Care open day promotions are as follows:

- ✓ Creating an exciting and positive outlook towards campaign
- ✓ Indigent Registration
- ✓ Siyakhokha Registration
- ✓ Promote payment for services and encourage customers to pay via online platform
- ✓ Receive queries from customers
- ✓ Update customer details on City of Ekurhuleni billing system
- ✓ Assist CCAs with credit control.

Total of 169 000 users registered through Siyakhokha online platform. This project will continue in 2020/21 especially in respect of the development and use of electronic media platform.

Operating Budget of the Finance Department

The Finance Department renders a financial service to the municipality and Council. It therefore has to secure sound and sustainable management of the fiscal and financial affairs of the municipality; and ensure transparent, accountable and appropriate lines of responsibility in the fiscal and financial affairs of the municipality and its entities.

The department manages the borrowing, investments, supply chain management, revenue, expenditure, assets and liabilities of the municipality and therefore has to draw up the budgets and ensure that financial planning processes are followed and complied with in terms of legislation and other regulations and to coordinate these not only within the municipality but also with other organs of state in the different spheres of government. The Operating Budget will enable the department to perform the above functions and duties and many other functions that it would be expected to be perform

Revenue Management

Revenue services bill customers in respect of consumer services and applicable property rates and taxes. Consumer Services are rendered through service departments - Water, Electricity and Waste Management. Revenue services is responsible for collection of billed services from customers, the implementation of credit control measures and to ensure that the City pay point systems and networks are operating efficiently and effectively. The collection rate performance indicator target of ninety four percent (94%) revenue collection to be maintained in 2020/21 financial year.

Expenditure and cost management

Through the expenditure the payments are processed for goods and services procured on behalf of the City departments. The 2019/20 performance indicator target of ninety percent (90%) payment of creditors within 30 days as per MFMA will remain at ninety percent (90%) in 2020/21.

Budget and Management Accounting

The Budget & Management Accounting is responsible for the costing, drafting and compiling of the City's Annual Budget. The budget consists of the Operational & Capital budget which is used for the allocating of financial resources for the rendering of service delivery. The Budget and Accounting Division's key deliverable with the 2018/19 budget include be fully compliant with the latest Municipal Standard Chart of Accounts (MSCOA) version 6.4.

Supply Chain Management

The Supply Chain Management (SCM) provides a SCM platform that ensures efficient and effective procurement of requisite goods and services for City.

Its key objective are to ensures optimisation of the financial delivery value chain, through strategic planning and alignment of SCM practices and processes, ensuring delivery of and compliance with protocols and Acts through:

- Demand Management
- Acquisition Management
- Logistics Management
- Inventory Management
- Disposal Management
- Performance Management
- Contract Management Legal Compliance

The performance of the City in terms of service delivery is largely affected by the effectiveness of the Supply Chain Management (SCM) processes. The SCM Division's key deliverables with the 2019/20 budget is to execute the SCM operations and improve capacity to process tenders within targeted turnaround times (adjudicate within 120 days after bids' closing date) with the performance indicator for 2019/20 remaining at 90%. This KPI still remains unchanged for 2020/21 FY. This will ensure continuous

improvement of the SCM processes that will benefit the City's departments, the community and businesses to ensure that the service delivery is not compromised.

Financial Reporting, MIS and Treasury Services

Financial Reporting is responsible for the preparation and presentation of the Group Annual Financial Statements and Asset Management function for the City, to ensure compliance with accounting standards. The maintenance of relations with the National Treasury and Provincial Treasury regarding statutory reporting processes and submission of financial reports as required. The implementation of the budget also brings in-year financial reporting requirement. In-year reporting and Annual Financial Statements are prepared in compliance with relevant legislation. The 2020/21 core deliverable is to achieve the unqualified audit opinion without findings.

The City's treasury office (Treasury) serves as internal banker of City and is, in general terms, responsible for cash management and borrowings for financing the Capital Expenditure programme. The decisions taken by Treasury are investments, funding and Treasury Risk management processes in the financial market place and in accordance with the provisions of the MFMA. The role of Treasury is to provide liquidity to City by sourcing the most efficient financial instruments at the best price and to administer and account for such instruments within the bounds of relevant legal framework. Treasury division ensure that this function contributes positively to the cash collections of the City to sustain the City to meet its expenditure commitments and to remain in a positive cash coverage in line with the targeted cash coverage to sustain the City as ensure financial viability.

The City has to continue to increase its revenue base to improve its revenue collection facilities, customers can pay via, rates halls, internet, banks, E – Siyakhokha and other Third Party Payments vendors like Easy Pay, Cigi Cell, Sandulela Technology, XET Solutions, Flash Mobile Vending, Ontech System, Sapex/ Kititla Joint Venture and Pay@ this facilitates for pre-paid electricity and bill payments at the following but not limited to Pick 'n Pay, Spar, Shoprite, Checkers, Woolworths, Pep stores etc.

The Treasury section is also facilitating the Transport Section for Harambee (IRPTN) in ensuring that the process of revenue collection is under its domain with the relevant monitoring and controls in place.

The City's enjoys a favourable credit rating of Baa3/Aa1.za national scale rating, downgrade from a previous rating of Aaa.za/Prime-1 due to the downgrade of the sovereign. This facilitates the City of Ekurhuleni to attract favourable investments and funding.

Table 64 Operating Budget of the Financial Services Department

	2019/20 - Revised Budget	2019/20 - YTD as at 29th February 2020	2020/21 Draft Budget	2021/22 Draft Budget	2022/23 Draft Budget
FINANCE	R	R	R	R	R
Revenue By Source					
Property rates	6 140 478 219	3 713 793 478	6 377 188 760	6 919 249 801	7 611 174 784
Service charges	(464 212 094)	(293 250 692)	(531 855 107)	(560 575 284)	(590 846 348)
Rental of facilities and equipment	-	149	-	-	-
Interest earned - external investments	514 844 710	280 144 612	574 900 141	605 944 749	638 665 767
Transfers and subsidies	724 484 736	543 189 822	786 269 515	868 079 480	951 022 890
Other revenue	1 761 158 525	1 191 383 158	1 833 455 508	2 026 802 753	2 192 812 748
Total Revenue (excluding capital transfers and contributions)	8 676 754 096	5 435 260 528	9 039 958 817	9 859 501 499	10 802 829 841
Expenditure By Type					
Employee related costs	560 322 280	326 177 395	599 036 299	646 912 801	698 619 417
Debt impairment	835 151 390	409 206 480	856 064 108	1 391 762 209	1 659 772 661
Depreciation & asset impairment	17 915 017	11 943 352	18 810 768	19 751 307	20 738 873
Finance charges	299 814 933	153 629 056	579 440 616	610 730 409	643 709 851
Other materials	14 817 243	6 430 065	16 669 605	16 857 205	17 054 941
Contracted services	182 036 975	78 151 389	211 275 205	220 000 275	229 196 506
Other expenditure	286 227 344	201 952 124	295 451 688	303 972 960	312 972 104
Loss on disposal of PPE	-	130 372	-	-	-
Total Expenditure	2 196 285 182	1 187 620 233	2 576 748 289	3 209 987 166	3 582 064 353
Surplus/(Deficit)	6 480 468 914	4 247 640 295	6 463 210 528	6 649 514 333	7 220 765 488
Surplus/(Deficit) after capital transfers & contributions	6 480 468 914	4 247 640 295	6 463 210 528	6 649 514 333	7 220 765 488
Surplus/(Deficit) after taxation	6 480 468 914	4 247 640 295	6 463 210 528	6 649 514 333	7 220 765 488

2.10.13 HEALTH AND SOCIAL DEVELOPMENT

The core business of the department is characterised by key elements of service delivery and resources which are linked to the Integrated Development programme (IDP) and Growth Development Strategy (GDS) 2055. Guided by the Social Empowerment and Sustainable Integration as the long-term imperatives, key programmes and strategic interventions outlined in the departmental Service Delivery Budget Improvement Plan (SDBIP) mainly find expression in the GDS 2055.

The Health and Social Development Department renders integrated health and social development services in partnership with stakeholders to contribute towards the long and healthy life of communities in Ekurhuleni through the provision of Primary Health Care, and Social Development Services.

Key Strategic Projects of the Health and Social Development Department

The Health and Social Development Department is comprised of the programme related line function divisions and support divisions. The line function divisions are Primary Health Care; Social Development; and Environmental Health. The administrative, operational and strategic departmental functions are provided through other divisions, namely, Support Services; Health Projects; Strategy and Planning; and Governance, Risk and Compliance.

The Health and Social Development Department will, in the 2019/20 financial year conclude on the feasibility studies initiated during previous financial years. The outcome of the studies will be made available to the Gauteng Department of Health for consideration. The construction of new facilities are referred to Gauteng Department of Health.

Table 65 Operating Budget of the Health and Social Development

	2019/20 - Revised Budget	2019/20 - YTD as at 29th February 2020	2020/21 Draft Budget	2021/22 Draft Budget	2022/23 Draft Budget
HEALTH AND SOCIAL DEVELOPMENT	R	R	R	R	R
Revenue By Source					
Transfers and subsidies	160 266 760	156 058 783	169 590 000	179 932 000	-
Other revenue	4 557 983	4 652 512	6 779 613	7 145 713	7 531 581
Total Revenue (excluding capital transfers and contributions)	164 824 743	160 711 295	176 369 613	187 077 713	7 531 581
Expenditure By Type					
Employee related costs	1 030 815 611	635 392 527	1 113 143 357	1 201 031 903	1 281 414 691
Depreciation & asset impairment	25 383 585	16 922 392	26 652 765	27 985 403	29 384 673
Other materials	33 116 865	18 236 704	25 318 204	25 483 389	25 357 508
Contracted services	10 340 420	4 252 885	10 842 159	11 283 981	11 519 648
Other expenditure	21 481 958	11 977 677	15 490 420	16 489 406	17 400 218
Total Expenditure	1 121 138 439	686 782 186	1 191 446 905	1 282 274 082	1 365 076 738
Surplus/(Deficit)	(956 313 696)	(526 070 890)	(1 015 077 292)	(1 095 196 369)	(1 357 545 157)
Surplus/(Deficit) after capital transfers & contributions	(956 313 696)	(526 070 890)	(1 015 077 292)	(1 095 196 369)	(1 357 545 157)
Surplus/(Deficit) after taxation	(956 313 696)	(526 070 890)	(1 015 077 292)	(1 095 196 369)	(1 357 545 157)

2.10.14 HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT

The result statement of the department is contained in the IDP in Annexure A.

Key Strategic Projects of the Department

A key strategic project of the Department Human Resources Management and Development is the finalisation of the Institutional Review Process.

The HR strategy drives the actualisation of the following components:

- Strategies from a Human Capital perspective to support the GDS 2055.
- Ensure statutory and regulatory compliance.
- Develop a strategy driven and dynamic City of Ekurhuleni structure.
- Promote and preserve HR professionalism.
- Build and manage a performance culture.
- Build and maintain sound labour relations.
- Alignment and support all flagship projects.
- Approval of the costing model for roll-out of IR (i.e. staff appointments and inclusive of post-retirement benefits)
- Skills Audit

Operating Budget of the Human Resources Management and Development Department

The main cost driver of the department is personnel costs which comprises 70.10% of the total Operating Budget of the department.

The department is also responsible for the advertising and filling of positions, generic training programmes, addressing labour matters and facilitating employee wellbeing programmes, with subsequent cost and budgetary provision of the services.

Table 66 Operating Budget of the Human Resources Management and Development

	2019/20 - Revised Budget	2019/20 - YTD as at 29th February 2020	2020/21 Draft Budget	2021/22 Draft Budget	2022/23 Draft Budget
HUMAN RESOURCES	R	R	R	R	R
Revenue By Source					
Transfers and subsidies	29 860 752	9 543 827	25 131 515	25 131 515	25 131 515
Other revenue	12 600 000	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	42 460 752	9 543 827	25 131 515	25 131 515	25 131 515
Expenditure By Type					
Employee related costs	186 595 959	99 204 149	201 523 630	217 645 523	235 057 163
Depreciation & asset impairment	555 980	370 656	583 779	612 968	643 616
Other materials	16 677 828	10 233 499	11 211 235	11 507 650	11 820 071
Contracted services	2 705 080	1 657 631	1 531 775	1 604 267	1 680 674
Other expenditure	13 824 491	9 735 807	11 754 435	12 182 938	12 638 686
Total Expenditure	220 359 338	121 201 741	226 604 854	243 553 346	261 840 210
Surplus/(Deficit)	(177 898 586)	(111 657 914)	(201 473 339)	(218 421 831)	(236 708 695)
Surplus/(Deficit) after capital transfers & contributions	(177 898 586)	(111 657 914)	(201 473 339)	(218 421 831)	(236 708 695)
Surplus/(Deficit) after taxation	(177 898 586)	(111 657 914)	(201 473 339)	(218 421 831)	(236 708 695)

2.10.15 HUMAN SETTLEMENTS

The result statements of the department is contained in the IDP in Annexure A.

Key Projects of the Department**1. CONSTRUCTION OF HOUSES PROGRAMME**

Purpose: This programme entails the construction of houses on serviced stands for in-situ and Greenfield developments, where beneficiaries have been identified and approved. The programme constitutes the last phase and consolidates a housing project, apart from other socio-economic amenities and services that are required to achieve integrated and sustainable developments.

Progress: The house construction programme targeted to deliver 2213 houses by end of the 2019/2020 financial year, with the approved 2018/19 roll over. The projects are in Alliance Ext 1(1639 houses) in Moleleki Ext 1 & 2(141 houses), Mayfield Ext 34 (186 houses), and Payneville Ext 1(247 houses). Instruction to Perform Work has been issued and delivery is targeted at end of Q4. There is no HSDG allocation for the 2020/21 FY.

2. DEVELOPMENT OF SERVICED STANDS PROGRAMME

The department is further implementing the serviced stands programme aimed at delivering serviced erven on an incremental basis for the purposes of upgrading informal settlements and/or allocation of beneficiaries from informal settlements and/or the waiting list / demand data base. The following services are provided:

- Water & Sewer Network Systems, whereby each stand will have a water and sewer connection.
- Roads and Stormwater, subject to budgetary provisions and as a following phase of the development, surfaced roads and Stormwater to be provided in accordance with the standards of the City of Ekurhuleni.

- For the purposes of allocating end-beneficiaries to a serviced stand, Human Settlements Elements in the form of a bathroom or toilet structure, subject to budgetary provisions, are to be erected on a suitable part of the serviced stand/erf and connected to the water and sewer networks.
- Electrical Infrastructure and connections, being subject to the allocation of end-beneficiaries would be provided on an incremental basis by the line Department responsible therefore.

In line with the Mayoral pronouncement of delivering of 59000 serviced stands the department is planning to deliver a total of 59000 serviced stands in the next 5 years

Other projects are at various progress stages:

- **Alliance Ext 1** (1 580 Stands) –The Contractor was appointed by the HDA in 2018/19 financial year, project is at practical completion.
- **Alliance Ext 9** (634 Stands) – Housing Development Agency's (HDA) contractor appointed for the continuation of the second phase of the project which involves the construction of the roads and storm water network systems, project is at 65%, delayed by resettlement issues.
- **Apex Ext 12** (617 res 2 stands and 6 res 4 stands = 623 Stands have been serviced in the 2017/18 Financial Year with water and sewer internal reticulation) – The construction of the bulk outfall sewer is planned to be at 19% completion stage by end of 2019/20 financial year.
- **Balmoral Extension 4** (Yield of 1091 Stands)
 - Construction of Civil Engineering Services for the allocation of stands to end-beneficiaries in the form of the:
 - Completion of Roads & Stormwater Systems (Surfacing of Roads)
 - Completion of Bathroom (Fittings, Plumbing, Geysers for 259 bathrooms)
 - Construction of Northern access route to Work Package 1 (259 stands)
- **Comet Ext 17 (Yield of 6-Stands – Residential 4)**
The project involves the:
 - Construction of Water & Sewer Network Systems
 - Completion of 6 stands in the 2019/20 financial year.
- **Mayfield Ext 46** (Yield of 575 stands)
The project involves the:
 - Construction of Water & Sewer Network Systems and graded roads; and
 - Subject to approval, a standard toilet structure.
 - Completion of 200 stands serviced with Water & Sewer Networks, planned in the 2019/20 financial year and the balance of stands in the 2020/21 financial year.
- **Daveyton Extension 14** (958 Stands) – The project is planned for completion in 2020/21 FY with the construction of Civil Engineering Services: - Water & Sewer Network Systems
-Construction of Bathroom (27 Bathrooms to be built with Fittings and Geysers). HDA Contractor to be appointed once the adjustment budget is approved.
- **Mayfield Extension 45** (632 Stands) – The project involves installation of water & sewer network systems, and construction of bathroom facilities. The project was delayed due to resettlement issues.

- **Palm Ridge Extension 9** (414 Stands) – The project is aimed at construction of Civil Engineering Services: Installation of water & sewer network systems for 414 stands; construction of roads & stormwater systems; and Construction of 414 bathrooms. Project is delayed due to the re-designing of roads and stormwater designs; contractor's poor performance; delayed approval of construction permit, beneficiary management and available resettlement areas.
- **Villa Lisa Extension 4** – 70% of the civil engineering services (internal water and sewer reticulation) will be provided in 2019/20 FY

3. **UNDERTAKING DETAILED PLANNING TO ENABLE THE DEVELOPMENT OF STANDS FOR HUMAN SETTLEMENTS PROJECTS**

Purpose: This programme entails the detailed planning process per land portion to enable the appropriate upgrading and formalisation of informal settlements to provide secured tenure to housing beneficiaries. The major component of the programme involves undertaking feasibility studies to assess the suitability of various land parcels for human settlements development, undertaking of pre-planning studies including township establishments, environmental impact assessments and various specialist studies such as geotechnical investigations, traffic impact assessments, heritage studies and wetland delineation. All these activities are required to proclaim a township and allow ownership of property.

Progress: 4 town planning activities have been approved in 2019/20 financial year.

4. **THE IMPLEMENTATION OF THE INFORMAL SETTLEMENT MANAGEMENT PLAN**

Purpose: This plan enables the municipality to coordinate and manage informal settlements in a more comprehensive and integrated manner and also create improved access of interim basic municipal services to people living in informal settlements.

Progress: There are scheduled monthly inter-departmental meetings that are held to discuss, plan, monitor and assess the provision of interim basic municipal services to all informal settlements. Various departments responsible for infrastructure and services provision are being encouraged to budget for services in the informal settlements. Service departments are submitting their monthly reports on services rendered in the informal settlements. There are scheduled dates for site visits to the various informal settlement areas. The report on the provision of basic services in informal settlements is tabled at the COO's Service Delivery War Room meeting.

In respect of informal settlements, upgrading plans over the short-, medium- and long-term the National Department of Human Settlements are required through the National Upgrading Support Programme (NUSP) to develop service delivery intervention plans (business plans) and to fast-track the development on 18 category B informal settlement plans.

Reblocking

Reblocking is an initiative focused on informal settlements, which is driven through collaboration with community; public sector and non-governmental sector support. The initiative is aimed at improving the living conditions in non-formalized settlements through creating temporary township layouts designed to allow for construction of graded roads, installation of on-grid or off grid electrical, water and sanitation services,

provision of socio-economic amenities as well as security of tenure where possible thus making informal settlements more habitable and dignified.

5. LAND ACQUISITION

Purpose: To co-ordinate and manage the land acquisition processes for sustainable Human Settlements.

The land acquisition budget for 2019/20 financial year is R 200 million sitting in the General Vote under Real Estate Department. The amount budgeted is to acquire R120 hectares of land for human settlements.

Department's planned activities for 2020/2021 include:

- To construct houses.
- To provide bulk in mega projects;
- To provide service stands;
- To conduct feasibility and pre-planning studies for human settlements.
- To undertake repairs and maintenance, address the upgrading and refurbishment of targeted rental stock owned by Council within various CCAs.
- To continue with the coordination and monitoring role through monthly inter-departmental meetings; reporting and planned site visits to the informal settlement areas
- To ensure that all service departments budget for services to be rendered in the informal settlements, and to establish the various local structures, that is, the ward-based, customer care area and metro-wide informal settlement structures.
- Coordinate and manage the land acquisition processes.
- Community outreach and beneficiary education within housing projects.
- Development of Social Housing Projects in Vosloorus, as part of the Urban Renewal Programme, continue with Airport Park social housing and introduce social housing in Comet Village.

Other Strategic Projects of the Human Settlements Department

Most human settlements projects are multi-year projects continuing into the 2020/21 financial year.

PROJECT NAME	PROJECT DESCRIPTION
Leeuwpoort mixed housing development	<ul style="list-style-type: none"> ○ The project is aimed at addressing the housing backlog and to provide various housing products targeting a mix of income groups, including, subsidised housing, bonded housing and Finance Linked Subsidy Programme (for beneficiaries who qualify for both subsidised and bank funding). ○ The first phase will focus on bulk infrastructure provision, detailed planning and design, and implementation of the northern portion. ○ The northern portion of the project is linked to the Joe Slovo informal settlement to be upgraded and formalised. ○ The project is planned to be implemented over the medium-to long-term (over a seven-year period). ○ The developer has been appointed and work has commenced. ○ The project aims to deliver over 18,000 housing units and is considered to be a mega-project

PROJECT NAME	PROJECT DESCRIPTION
	<ul style="list-style-type: none"> ○ The project is at construction of bulk, link and internal engineering services. ○ All the environmental issues related to radiation clean-up, and GDARD concerns have been resolved, and socio-economic issues related to sub-contracting have been addressed.
Brakpan Old Location	<ul style="list-style-type: none"> ○ Planning inclusive of specialist studies & construction supervision of bulk services for 3000 stands in Brakpan old location mega project.
Van Dyk mega project	<ul style="list-style-type: none"> ○ Integrated housing project, delivering Full Subsidy, Social, and FLISP & Bonded Houses. Total yield 19453. ○ Appointment of Service Providers for both designs for bulk services and top structures has been made. ○ Installation of Engineering Services and Top Structures for 3500 residential units.
Tembisa Ext 25 mega project	<ul style="list-style-type: none"> ○ Bulk engineering services has been completed on the project. This includes the construction of water, sewer, and storm water reticulation, road infrastructure and electrical infrastructure. The Bulk link is currently being completed in phases. Construction of the first 500 units on the project commenced in February 2020 and will be complete by 30 June 2020. The units are to be built using Alternative Building Technology.
Palmietfontein mega project	<ul style="list-style-type: none"> ○ Planning and design for Bulk engineering services and top structures planned in 2018/19 FY ○ Planning for the project is at stage 3 & 4 is completed ○ A Contractor have been appointed for the Phase 1 of bulk Engineering services installation works
John Dube Mega project	<ul style="list-style-type: none"> ○ Bulk design for 12,000 units ○ Appointment made for stages 1-6 of the planning and construction supervision on bulk services. Construction on neighbourhood 1 is underway for completion on 30 June 2020
Esselen Park – Witfontein mega project	<ul style="list-style-type: none"> ○ Design of bulk infrastructure - sewer, water, stormwater, roads and electrical and design of 3,000 RDP units as top structures
Daggafontein mega project	<ul style="list-style-type: none"> ○ Bulk Service Design have been completed for Edelweiss Extension 4 and 5. Contractor to commence with construction of water and sanitation bulk line on Extension 5 with completion by 30 June 2020
Chief Albert Luthuli Ext 6	<ul style="list-style-type: none"> ○ Bulk Service Design have been completed. Contractor to commence with construction bulk services with completion by 30 June 2020
Apex Ext 12 RDP walk-ups- (roads construction)	<ul style="list-style-type: none"> ○ Roads constructions planned for in the next financial year as roads were not part of the services provided.
Development of the township revitalisation and renewal strategy and plans	<ul style="list-style-type: none"> ○ The City of Ekurhuleni aims to develop the urban settlement of Germiston into a sustainable human settlement and Administrative Capital (Metropolitan Headquarters) of the City of Ekurhuleni. The City of Ekurhuleni embarked upon a project to transform Germiston and previously completed an Implementation Plan for Urban Renewal. (GEAR 2030: Towards the Detailed Planning, Design Guidelines and Land Packaging Proposals).

PROJECT NAME	PROJECT DESCRIPTION
	<ul style="list-style-type: none"> Following from GEAR, various projects were identified, some of which are currently at implementation stage as outlined below.
Germiston Fire Station (ERF 808) Social Housing Project	<ul style="list-style-type: none"> The project consists of 353 units, with 144 units planned for construction during phase 1 and 209 units to be constructed during phase 2 of the project. The project will deliver units comprising of 2 bedrooms, 1 bedroom and bachelor flats with a living room, kitchen and bathroom. Provision has been made on the ground floor for units to cater for persons with disabilities. The plans also include the development of a crèche and hall. The buildings comprise of 4 storeys (inclusive of the ground floor), with alternative green building technologies being incorporated as much as possible in the design of these buildings. Phase 1 construction will be made up of the following blocks: Blocks 1, 3, 4, 6, 7, and 8. The crèche and hall will be developed in subsequent phases. The project will comprise of 353 units in total with 54 one bedrooms, 89 bachelors, 192 two bedrooms and 18 retail space. Phase 1 has been completed and the construction of Phase 11 is at practical completion waiting for prepaid electrical meters installations and completion of snags and handover. Hand Over expected at the end of March 2020.
Germiston Public Space Upgrade Project	<ul style="list-style-type: none"> The project's focus is on the upgrading of key existing streets within this area and provide an NMT network that will serve the community of Germiston as well as cycle lanes for events and competitions
Tembisa Urban Renewal	<ul style="list-style-type: none"> Public Space Upgrade linked with Non-Motorised Transport in Tembisa Phase 3 project Designs for the Tembisa Civic Node- A contractor was appointed in late December for the construction of the NMT. The contractor has since established site in early January and has now commenced with the works. Progress on site is currently at 20% and progressing well at present.
Wattville Urban Renewal	<ul style="list-style-type: none"> Construction of non-motorised facilities in Wattville and Actonville Variation Order approval has been received by the contractor to execute additional work in Wattville Public Space Upgrade linked with NMT
Wattville Erf 3130	<ul style="list-style-type: none"> Provision of services and construction of walkup RDP units (264 on phase 1 and 697 on phase 2) Services installed, once the Rand water approval is obtained, the remaining earthworks will be done on Rand Water servitude.
Urban Renewal: Daveyton NMT	<ul style="list-style-type: none"> Project handed over from City Planning Implementation protocol to be agreed upon between City Planning and Human Settlements Departments
Urban Renewal: Katorus: Erf 18383 Vosloorus X 9, Erf 6519 Vosloorus Ext 9, Erf 20846 Ext 30, Portion of RE Portion 192 Farm Vlakplats 138 IR	<ul style="list-style-type: none"> Vosloorus (Katorus) complex construction 10 story building with 770 units of Social Housing Units. Bulk Engineering Services installation works are currently at 85% complete and will be handed over to Ekurhuleni Housing Company for the Top Structures implementation with SHRA Funding.

PROJECT NAME	PROJECT DESCRIPTION
	<ul style="list-style-type: none"> ○ RDP walk-ups Completion of stages 5-6 of the envisaged construction of Vosloorus Complex. Execution to be phased. Servicing of units & construct approximately 584 RDP units. ○ Project is currently installing bulk engineering services as well as Top Structures works.
Informal Settlements Formalisation and Upgrade Programme	<ul style="list-style-type: none"> ○ The Programme is aimed at the upgrading and formalisation of informal settlements. ○ It addresses the entire planning and tenure arrangements in informal settlements. ○ This entails the categorisation of informal settlements as requiring relocation, in-situ upgrading or part relocation and part in-situ upgrading. ○ The major aspect of the plan involves undertaking feasibility studies to assess the suitability of various land parcels for human settlements development. ○ Upon positive recommendations of the feasibility reports per informal settlement, detailed pre-planning studies are undertaken in particular Environmental Impact Assessment (EIA) Studies and Geo-Technical studies. On receipt of positive results thereof, land acquisition processes are embarked upon and where land is owned by the municipality, it must be reserved for a housing purpose and a full township establishment process will follow. ○ In case of private land, township establishment would only commence when land has been procured by the municipality. ○ The Department on average conducts 10 feasibility studies each financial year.
Re-blocking	<ul style="list-style-type: none"> ○ The density of some informal settlements is such that the project cannot be completed in one financial year, and has to be carried out over the years.

Table 67 Operating Budget of the Human Settlements Department

	2019/20 - Revised Budget	2019/20 - YTD as at 29th February 2020	2020/21 Draft Budget	2021/22 Draft Budget	2022/23 Draft Budget
HUMAN SETTLEMENTS	R	R	R	R	R
Revenue By Source					
Rental of facilities and equipment	48 892 557	37 805 729	56 751 324	59 815 897	63 045 952
Transfers and subsidies	517 361 851	18 244 984	15 851 268	16 510 592	18 071 139
Total Revenue (excluding capital transfers and contributions)	566 254 408	56 050 713	72 602 592	76 326 489	81 117 091
Expenditure By Type					
Employee related costs	131 306 663	79 619 063	141 811 197	153 156 093	165 408 582
Debt impairment	2 869 033	1 912 696	2 953 058	3 248 364	3 573 200
Depreciation & asset impairment	43 879 781	29 253 192	46 073 770	48 377 459	50 796 332
Other materials	22 031 505	10 136 398	6 845 960	6 871 880	6 899 199
Contracted services	607 119 938	61 219 959	131 149 536	137 045 626	144 125 742
Transfers and subsidies	22 800 000	9 360 000	16 000 000	16 000 000	16 000 000
Other expenditure	29 369 621	6 200 211	26 195 477	26 676 837	27 188 627
Total Expenditure	859 376 541	197 701 518	371 028 998	391 376 259	413 991 682
Surplus/(Deficit)	(293 122 133)	(141 650 805)	(298 426 406)	(315 049 770)	(332 874 591)
Transfers and subsidies - capital	1 378 054 444	449 875 157	817 438 968	600 445 408	662 657 824
Surplus/(Deficit) after capital transfers & contributions	1 084 932 311	308 224 352	519 012 562	285 395 638	329 783 233
Surplus/(Deficit) after taxation	1 084 932 311	308 224 352	519 012 562	285 395 638	329 783 233

2.10.16 BUDGET OF EKURHULENI HOUSING COMPANY (EHC)

The Budget of the EHC is presented as a consolidated budget for the four entities:

- Ekurhuleni Development Company SOC Ltd (Management Company).
- Pharoe Park Housing Company SOC Ltd.
- Germiston Phase II Company SOC Ltd.
- Lethabong Housing Institute NPC.

Assumptions underpinning the budget

The assumptions and guidelines used in compiling the final budget are as follows:

- Operational Grant R 16,8million

The EHC reports an operational grant income of R16.8 million. The operational grant is to cover repairs and maintenance for EHC ageing assets, job grading exercise and salary increases as a result of the operational grant that was cut, and legal fees relating to collecting monies owed by tenants and to cover evictions cost.

- Guard House for Sethokga Community Residential Project

This hostel redevelopment project refurbishment under the Community Residential unit programme.

This project is to be transferred to EHC for management as part of its rental mandate.

One of the conditions for EHC to effectively manage the 220 units is to have proper security control. To this end the current project has omitted to build a guard house, therefore a grant of R 250 000 is requested to construct a guard house before EHC can take over rental stock management.

KEY PRIORITIES AND FLAGSHIP PROJECTS

In order to improve on the competitiveness of the company, and improve on income generated, the company will be embarking on the following priority projects:

- Increasing the number of customers transported,
- Improve on customer satisfaction levels as areas requiring improvement were identified by Phase 1 and 2 of customer survey
- Improve on governance and risk management systems and controls, in order to optimise effectiveness and efficiencies.
- Vigorous marketing of Brakpan Bus Company services, and maximise the use of buses on special hire trips.

Table 68 Operating Budget of Ekurhuleni Housing Company

EHC	2019/20 - Revised Budget R	2019/20 - YTD as at 29th February 2020 R	2020/21 Draft Budget R	2021/22 Draft Budget R	2022/23 Draft Budget R
Revenue By Source					
Service charges	7 341 495	4 823 324	6 202 577	4 339 556	4 578 232
Rental of facilities and equipment	46 820 433	31 673 425	49 395 558	52 112 313	54 978 490
Interest earned - external investm	1 882 682	3 120 071	2 415 830	2 374 491	2 482 150
Transfers and subsidies	35 791 706	22 324 847	21 095 950	16 880 000	17 808 400
Other revenue	288 676	262 334	304 552	321 303	338 975
Total Revenue (excluding capital transfers and contributions)	92 124 992	62 204 001	79 414 467	76 027 663	80 186 246
Expenditure By Type					
Employee related costs	31 850 116	18 053 760	33 209 599	34 106 270	35 060 045
Debt impairment	7 282 295	12 886 249	5 758 342	5 187 448	5 472 758
Depreciation & asset impairment	6 151 243	3 799 217	5 297 411	5 588 767	5 896 149
Finance charges	-	(3 820)	-	-	-
Other materials	731 261	437 233	763 023	782 280	802 367
Contracted services	19 648 926	10 657 872	20 974 812	17 815 133	18 794 965
Other expenditure	12 547 180	9 130 460	13 411 280	11 884 713	12 538 372
Total Expenditure	78 211 021	54 960 972	79 414 467	75 364 611	78 564 657
Surplus/(Deficit)	13 913 971	7 243 029	-	663 052	1 621 590
Transfers and subsidies - capital	7 871 001	7 871 001	-	-	-
Surplus/(Deficit) after capital transfers & contributions	21 784 972	15 114 030	-	663 052	1 621 590
Taxation	6 000 000	2 927 536	-	-	-
Surplus/(Deficit) after taxation	15 784 972	12 186 494	-	663 052	1 621 590

2.10.17 INFORMATION COMMUNICATION TECHNOLOGY (ICT)

The result statements of the department are contained in the IDP in Annexure A.

Flagship Project as pronounced by the Executive Mayor

Activity	Description
Digital City	
Brief Description	<p>City of Ekurhuleni Metropolitan Municipality (COE) The City of Ekurhuleni in their long term plan "Growth and Development Plan (GDS) 2055 have identified the following transformation priorities and it has a mandate to promote the Smart City concept for transformation, growth, development and ensure that all Ekurhuleni's citizens derive sustainable benefit from technology development.</p> <p>SALGA (South African Local Government Agency) has recognised that innovation is at the heart of the evolution of any organisation. Government institutions, non-profit organisations, businesses and even individuals need to evolve to survive. The need to find innovative solutions to social problems in order to make Local Government responsive and relevant has become more pervasive than ever before. Today's world is more complex and more demanding, and timelines have sped up. To meet these demands, government needs to innovate, create knowledge value in order to achieve the requirements of today's citizen's demands of improved and high quality service delivery. Nowhere is this more apparent than in municipalities.</p> <p>The Information and Communication Technology (ICT) department has a responsibility to ensure that the abovementioned requirements identified by SALGA are addressed and the strategic objective as defined in the GDS are achieved. This can be done through ensuring that ICT goals are aligned to and</p>

Activity	Description
	<p>support the City's mission and strategic objectives of becoming a Smart, Creative and Developmental City, and that optimum business value is realized from ICT related investment services and assets. Information and Communication Technology (ICT) is one of the key enabling departments within the City. It uses and leverages on the implementation of technology to enable the City to deliver services effectively and efficiently.</p> <p>ICT supports the re-govern macro strategic theme in the journey to achieving the city's vision of Delivering City (2012 – 2020) specifically the following in the five strategic themes of:</p> <ul style="list-style-type: none"> • Building a Capable Local City State which will be achieved through Modernize and capacitate the institution sub-programme. • ICT also indirectly supports all the macro strategies especially the Responsive and Active Citizenry programme of the Re-Mobilise macro strategic theme through the Digitize municipal interactions with communities sub-programme. <p>ICT focus is both internal and external with more emphasis on supporting the internal customers therefore ensuring objectives aimed at servicing the citizens of Ekurhuleni are achieved:</p> <ol style="list-style-type: none"> 1. Internal efficiencies: Faster, better, Smarter and robust. <ol style="list-style-type: none"> a. Stabilisation Programme <ul style="list-style-type: none"> ○ Stabilise, improve and maintain the current infrastructure to ensure it is built to support the modernization and the digital city programmes. ○ Operational normalization (operating processes, tools and methodologies which provides the capability to reduce mean down time. ○ The normalization of aged server environment, by building a new platform that has high availability and disaster recovery capabilities that will minimize the risk for COE. ○ Network and security operations centre (NOC and SOC) for the monitoring of the entire COE ICT network. ○ ICT business Continuity and disaster recovery for COE. b. Modernization Programme <ul style="list-style-type: none"> ○ Automation of manual processes, thus reducing the amount of time required to execute each process. This leads to service delivery efficiencies. ○ Implementation of the Enterprise resource planning (ERP) system for automation, integration of processes end – to end and to ensure compliance with National Treasury MSCOA requirements. c. Infrastructure Programme <ul style="list-style-type: none"> ○ Server and Storage Expansion ○ Data Center Expansion and relocation ○ Core and Distribution Network Refurbishment ○ Broadband Fibre ○ Wi-Fi Expansion and internet zones

Activity	Description
	<p>2. External service provision:</p> <p>a. Digital/Smart City Programme</p> <p>Flagship Project - ICT Digital City vision is evolving by supporting administration and service delivery and leveraging on the investments already made. Provides the potential to provide Information and Communication Technology (ICT) services directly to citizens and businesses which will stimulate and enable economic. It also provides COE with a competitive advantage by integrating ICT operations into the wider City eco-system.</p> <ul style="list-style-type: none"> ○ Expand applications functionality and leverage on the deployed infrastructure to enable economic growth development and access to information by citizens of Ekurhuleni to have an increased engagement with the citizens by means of easy-to-use and advanced technology. These include sms, smart phone, web site and citizen service delivery APP(s), and other electronic communication channels: ○ Unified Command Center ○ Safe City (Surveillance System) ○ Network Operation Centre/Security Operation Center ○ Call Centre Management (EMM Connect) ○ Citizen service delivery APP(s) ○ IoT Programme
Current Progress on IT Project	<p><u>Infrastructure:</u></p> <ul style="list-style-type: none"> • DCS: Broadband Fibre(Corporate) - The City has missed the committed 200km and hoping to only achieve the 100km of the committed 200km, The Service provider has been appointed to assist the city with fibre planning and deployment management services. The Fibre Planning and Implementation project will resume as planned. • Digital City Services / Services Integrator (Wi-Fi) (Corporate) - • Security for ICT Infrastructure (Corporate), the implementation of CPE Managed Firewall, Advanced Service, Active Passive (2 devices) with 24/7 support is completed, further security technology implementation is in progress. • Upgrade of Data Centers and Disaster Recovery centre (Data centre environmental refurbishment and expansion to key network nodes in progress. • Upgrading aged server equipment (Expansion of server, storage and fibre switch equipment) (Operational Equipment – The service provider has been appointed to assist the city with implementation, configuration, and upgrade of the existing storage, migration and support. The upgrade of old server equipment project will resume as planned <p><u>Business Process Mapping:</u></p> <p>Business processes mapping for the 20 key departments targeted for the UCC is completed. UCC implementation starting with the Safe City has been initiated</p> <ul style="list-style-type: none"> • Enterprise Architecture/ Business process management:

Activity	Description
	<ul style="list-style-type: none"> ○ City process model, BPM Framework, APM and RMP have been created. ○ Master systems plan in place and has been approved. ○ Implementation of the Master Systems Plan in progress <p><u>Enterprise Resource Planning (ERP) System:</u> Implementation of an Integrated Enterprise Resource Planning System is one of the mega project that ICT has undertaken on behalf of the City.</p> <ul style="list-style-type: none"> ● ERP Phase 1(Corporate) <ul style="list-style-type: none"> ○ Finance management System in progress ○ Supply Chain Management System in progress ○ Budget and Prioritization System completed ○ HCM upgrade: phase 1 has been completed. This phase included the upgrade and implementation of the Core HR system, Organisational Learning Management, HR Intelligence and HR self-service modules. Phase 2 which includes Payroll, Talent Acquisition, and Time and Labor will be commenced still in progress. ○ Increased availability of customer facing applications (98%); performance for the customer facing systems currently being monitored was at 98.99% availability, during the performance review in the first quarter. <p><u>Unified Command Centre:</u></p> <ul style="list-style-type: none"> ● DEMS strategic and tactical command centre establishment in Bedfordview in architect design stage. ● Long-term UCC: <ul style="list-style-type: none"> ○ Conceptual and Architecture Design is completed. Strategy and value proposition was defined, high level processes were defined, and Business functionality as well as IT requirements and UCC costing model were defined. ○ Phase 1 have been completed and submitted as input to real estate for the Planning of the building. ○ Phase 1 will include the Internet of Things (IoT) as part of the UCC implementation. ○ Phase 2 of the project will be dependent on eLTE.
Plans for the 2019/2020 Financial Year	<p>Digital/Smart City Programmes</p> <p>Fibre Expansion - DCS: Broadband Fibre</p> <ul style="list-style-type: none"> ● Fibre expansion 100KM and building 100KM fibre network completed to provide <ul style="list-style-type: none"> ○ Fibre connectivity to all EMM buildings. ○ New Fibre tender to activate the currently deployed fibre and creating for redundancy has been has been awarded. <p>Wi-Fi Expansion - Digital City Services / Services Integrator (Wi-Fi)</p> <ul style="list-style-type: none"> ● Stabilised the Wi-Fi network and continue with the expansion to provide Wi-Fi connectivity (private and public) at all EMM buildings: <ul style="list-style-type: none"> ○ Install internal Wi-Fi in 235 buildings (2 units per building). ○ Install public Wi-Fi in 235 buildings (between 2 and 4 units per building). ○ Install 250 Wi-Fi hotspots in 2019/2020 financial year. ○ Connect four City of Ekurhuleni Computer centres. ○ Continue with upgrade of security.

Activity	Description
	<p>Infrastructure Expansion</p> <ul style="list-style-type: none"> The objective of the Infrastructure Expansion projects is Design and implement all required infrastructure to support the objective of the organisation and all other ICT identified programmes. This will cater for Broadband Infrastructure, Converge and High Availability Server and Storage Environment, Core Distribution and Access Network, Radio Network. The main project are as follows: <ul style="list-style-type: none"> Network Operation Center (Security for ICT Infrastructure) Unified Command Center (Control Centre) Safe City (Surveillance Control) Enterprise Architecture/ Business process management including Document and Records Management Upgrade of Data Centers and Disaster Recovery Centre (Data Centre environmental refurbishment and expansion to key network nodes) Upgrading aged server equipment (Expansion of server, storage and fibre switch equipment) <p>Modernisation Programme</p> <ul style="list-style-type: none"> The objective of the Modernization project is to implement an Enterprise Resource Planning (ERP) system and the associated data architectures to ensure that the applications can support the key business processes of the City. <ul style="list-style-type: none"> Automation of business processes. Adoption of the integrated ERP system.

Key Strategic Projects of the Information Communication Technology Department

Activity	Description
Unified Command Centre	
Brief Description	Establishment of the COE's Unified Command Centre for improved service delivery for safe city. The project is creating a multi-discipline, multi-department command and control centre to provide integrated service delivery to the public. The Boksburg Fire station site was selected to construct a building for the UCC. The UCC will contain a centralised customer care centre for both life threatening and non-life threatening services as well as command and control centres for Energy, Water, CCTV Surveillance, Vehicle tracking and dispatch. It will also house the CRM head office as well as an ICT data centre. The UCC will use smart city technology for enhanced efficiency.
Current progress on project	<ul style="list-style-type: none"> DEMS strategic and tactical command centre establishment in Bedfordview in architect design stage. Long-term UCC: <ul style="list-style-type: none"> Conceptual and Architecture Design is completed. Strategy and value proposition was defined, high level processes were defined, and Business functionality as well as IT requirements and UCC costing model were defined. Phase 1 have been completed and submitted as input to real estate for the Planning of the building.
	<ul style="list-style-type: none"> Tender process for the implementation of the UCC sub-component (Safe City) is in progress. Specifications have been finalized and ready to go out on tender.

Activity	Description
	<ul style="list-style-type: none"> Phase 1 will include the Internet of Things (IoT) as part of the UCC implementation. Phase 2 of the project will be dependent on eLTE.
Enterprise Architecture/ Business Process Management including Document and Records Management (BPM)	
Brief Description	The project objective is to optimise, redesign and automate the business processes with the aim to reduce silo operations and improve responses to the customers. BPM aims to improve the efficiency of the municipality business processes, doing things better with optimised processes and achieve better communication across the organisation; to integrate municipality business processes with partners in the value chain, and understanding which partner is responsible for what part of the process. This will also apply to the municipality's interaction with other spheres of government, business, NGOs, etc.
Current progress on project	<ul style="list-style-type: none"> Five processes (City Planning) from a combined total of eight have been completed. It is anticipated that the remaining processes will be completed by the end of quarter 4 in 2016/16. Finalise the optimisation of the Energy revenue processes. The e-Health solution has been developed and should be deployed and fully operational by March 2016. E-Health first phase deployed and second phase to expand on functionality to be currently in progress. HR system which include the talent management, e-recruitment and Payroll to address operation efficiencies and audit findings currently in progress to be launched by end of financial year. Deployment of Finance System as part of the ERP to be initiated.
	In the new financial year, the department will focus on business processes engineering that are aligned to the ERP implementation. Migration of systems to ERP will be part of this process.
Acquisition of Electronic Document Management system (Information and Knowledge Management)	
Brief Description	The intent of the project is to create an information environment that provides the following: business-driven; knowledge-based; integrated; always available and reliable.
Current progress on project	The base deployment of the SharePoint and Document management solution have been completed at the end of November 2015. The base deployment of the Case management (CRM department) solution is currently in progress. Technical challenges forced the department to go back to the drawing board.
	<ul style="list-style-type: none"> Design and deployment of the advanced SharePoint and Document management capability. Implementation of the advanced Case management capability (CRM)
Network and Security Operations Centre (NOC/SOC)	
Brief Description	Network and Security Operations Centre (NOC and SOC) for the monitoring of the entire COE ICT network. COE requires a Network and security operations center (SOC) as a centralized unit to manage incidents and response for cases such as cybercrime attack related to ransomware, data loss/theft or leakage for the city etc.
Current progress on project	<ul style="list-style-type: none"> Finalisation of the NOC/SOC Specification.

Activity	Description
	<ul style="list-style-type: none"> Tender process for the implementation of the NOC/SOC. Specifications have been finalized and ready to go out on tender.
Enterprise Resource Planning (ERP)	
Current progress on project	<p>An Integrated ERP solution has been procured to replace componentised ERP previously committed. Implementation of the ERP to start in March 2018. Human resources management, payroll, finance, supply chain management, grant management and projects to be implemented as part of this project. Foundation for Digital City enabler requires this infrastructure in place to ensure innovative smart city solution like IoT and Blockchain can be leveraged in light of the 4th Industrial revolution.</p> <p>ERP provides for policies and procedures to be built into the system and uploaded as necessary. This will greatly reduce our dependence on policy and procedure manuals for knowledge transfer and provide a much more efficient means to handle knowledge retention, especially as experienced staff retires. ERP systems also come with built-in audit and security controls that have been implemented.</p>
	<ul style="list-style-type: none"> Finance Management System in progress Supply Chain Management System in progress Budget and Prioritization System completed HCM upgrade: phase 1 has been completed. This phase included the upgrade and implementation of the Core HR system, Organisational Learning Management, HR Intelligence and HR self-service modules. Phase 2 which includes Payroll, Talent Acquisition, and Time and Labor will be commenced still in progress. Increased availability of customer facing applications (98%); performance for the customer facing systems currently being monitored was at 98.99% availability, during the performance review in the first quarter.

Table 69 Operating Budget of Information Communication Technology Department

	2019/20 - Revised Budget	2019/20 - YTD as at 29th February 2020	2020/21 Draft Budget	2021/22 Draft Budget	2022/23 Draft Budget
INFORMATION COMMUNICATION TECHNOLOGY	R	R	R	R	R
Expenditure By Type					
Employee related costs	113 229 283	65 034 277	122 287 625	132 070 634	142 636 281
Depreciation & asset impairment	61 250 754	40 833 840	64 313 292	67 528 957	70 905 405
Finance charges	114 953 774	68 197 696	121 161 278	127 703 987	134 600 002
Other materials	683 450	315 845	383 998	398 498	413 781
Contracted services	250 702 668	98 544 877	256 048 112	269 874 670	284 447 862
Other expenditure	88 672 618	48 843 828	85 648 706	88 967 709	92 469 650
Total Expenditure	629 492 547	321 770 363	649 843 011	686 544 455	725 472 981
Surplus/(Deficit)	(629 492 547)	(321 770 363)	(649 843 011)	(686 544 455)	(725 472 981)
Surplus/(Deficit) after capital transfers & contributions	(629 492 547)	(321 770 363)	(649 843 011)	(686 544 455)	(725 472 981)
Surplus/(Deficit) after taxation	(629 492 547)	(321 770 363)	(649 843 011)	(686 544 455)	(725 472 981)

2.10.18 INTERNAL AUDIT**Key Strategic Projects of INTERNAL AUDIT**

The result statements of the department are contained in the IDP in Annexure A.

Internal Audit is an appraisal function established within the organization in compliance with the requirements of the MFMA and MSA and independently examines and evaluates the activities of the organization as a service to the Council in particular and to management in general.

Internal Audit helps the organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The objectives of internal auditing are to assist senior managers of the organization in the effective discharge of their responsibilities by furnishing them with analyses, appraisals, recommendations, counsel, and information concerning the activities reviewed and by promoting effective control at reasonable cost. Furthermore, to evaluate and report on compliance with the Municipal Finance Management Act, Municipal Systems Act and related Treasury Regulations.

Operating Budget of the INTERNAL AUDIT

The Operating Budget of the Internal Audit Department is as follows:

Table 70 Operating Budget of the Internal Audit

	2019/20 - Revised Budget	2019/20 - YTD as at 29th February 2020	2020/21 Draft Budget	2021/22 Draft Budget	2022/23 Draft Budget
INTERNAL AUDIT	R	R	R	R	R
Expenditure By Type					
Employee related costs	52 785 962	33 020 790	57 008 838	61 569 547	66 495 110
Depreciation & asset impairment	170 329	113 560	178 845	187 787	197 176
Other materials	182 381	95 030	82 602	84 726	86 965
Contracted services	25 348 631	5 438 313	15 078 095	15 567 540	16 083 415
Other expenditure	914 340	495 178	877 302	944 291	1 016 555
Total Expenditure	79 401 643	39 162 871	73 225 682	78 353 891	83 879 221
Surplus/(Deficit)	(79 401 643)	(39 162 871)	(73 225 682)	(78 353 891)	(83 879 221)
Surplus/(Deficit) after capital transfers & contributions	(79 401 643)	(39 162 871)	(73 225 682)	(78 353 891)	(83 879 221)
Surplus/(Deficit) after taxation	(79 401 643)	(39 162 871)	(73 225 682)	(78 353 891)	(83 879 221)

2.10.19 LEGISLATURE

This department was established with the purpose of strengthening the capacity of the City of Ekurhuleni through modernisation and technological advancements. It includes the following budgets:

- Office of the Speaker.
- Office of the Chief Whip.
- Oversight committees.
- Administration of Ward Committees.
- Part-time councillors.
- Budget for chairpersons of Oversight Committees.

It is important to note that cost centre 4418, which contains the budget for part-time councillors, has also been allocated to the Legislature. This implies that all the councillor allowances are now budgeted as part of the Legislature - based on the principle that part-time councillors will mostly form part of the oversight committees. The mentioned cost centre also provides for the travelling and accommodation of part-time councillors to conferences and seminars and overseas business activities.

Table 71 Operating Budget of the Legislature Department

	2019/20 - Revised Budget	2019/20 - YTD as at 29th February 2020	2020/21 Draft Budget	2021/22 Draft Budget	2022/23 Draft Budget
LEGISLATURE	R	R	R	R	R
Expenditure By Type					
Employee related costs	140 909 405	78 850 573	152 182 157	164 356 729	177 505 264
Remuneration of councillors	127 560 510	83 163 746	137 765 349	148 786 576	160 689 502
Other materials	21 694 132	13 090 566	9 750 104	9 762 970	9 776 530
Contracted services	4 598 932	2 865 364	2 069 028	2 074 064	2 079 372
Other expenditure	9 630 175	4 697 021	6 393 643	6 712 416	7 055 936
Total Expenditure	304 393 154	182 667 269	308 160 281	331 692 755	357 106 604
Surplus/(Deficit)	(304 393 154)	(182 667 269)	(308 160 281)	(331 692 755)	(357 106 604)
Surplus/(Deficit) after capital transfers & contributions	(304 393 154)	(182 667 269)	(308 160 281)	(331 692 755)	(357 106 604)
Surplus/(Deficit) after taxation	(304 393 154)	(182 667 269)	(308 160 281)	(331 692 755)	(357 106 604)

2.10.20 REAL ESTATE

The following divisions in the Real Estate Department were approved:

- Strategy and planning.
- Governance and compliance.
- Support services.
- Portfolio advisory services.
- Property development.
- Property management.
- Facilities management.
- Parks and cemeteries.

Progress with the revenue enhancement drive in City of Ekurhuleni with respect to the role the Real Estate Department should play

The potential exists to maximise the rental from the commercial lease portfolio by ensuring that all new leases and renewals are done at proven market-related rentals and escalations. The current back-log needs to be addressed with the additional resource and man-power required which will be brought about with the institutional review process, the amalgamation of property transactions and improved systems, delegation and procedure. Every effort must be made to facilitate shorter approval processes by the correct interpretation of the MFMA, asset transfer regulations and SCM regulations. The property portfolio needs to be segmented in order to identify specific sites with high rental value potential. The aim is to increase the real revenue with 5% annually.

Many of Council's existing real estate assets (buildings) are in a state of neglect. An amount of R15m has been allocated to enhance revenue potential of some of these facilities. This is part of the prestige building programme where components of the building will be repaired to increase the revenue potential of the facility. Examples are Springs Market, Alberton civic community facilities etc.

Flagship Projects as pronounced by the Executive Mayor

The Real Estate Department is involved, as a secondary partner, with the two flagship projects:

NAME OF THE PROJECT	BRIEF DESCRIPTION
Establishment of a functional Real Estate management unit	<ul style="list-style-type: none"> • Setting up of Real Estate Department and strategy conceptualisation. • Completion of the strategy and organisational structure.

The result statement of the department is contained in the IDP in Annexure A.

Operating Budget

The 2020/21 Real Estate Department Operational Expenditure Budget comprises mainly staff remuneration which constitutes approximately 20% of the budget. Repair and Maintenance is the biggest cost driver which is approximately 70% of the budget.

Table 72 Operating Budget of the Real Estate Department

	2019/20 - Revised Budget	2019/20 - YTD as at 29th February 2020	2020/21 Draft Budget	2021/22 Draft Budget	2022/23 Draft Budget
REAL ESTATE	R	R	R	R	R
Revenue By Source					
Rental of facilities and equipment	23 157 578	14 280 163	24 408 088	25 726 124	27 115 335
Other revenue	18 665 633	13 221 549	19 673 576	20 735 949	21 855 691
Total Revenue (excluding capital transfers and contributions)	41 823 211	27 501 711	44 081 664	46 462 073	48 971 026
Expenditure By Type					
Employee related costs	254 040 213	129 220 904	274 363 432	296 312 502	320 017 503
Finance charges	53 810 305	31 916 295	56 716 061	59 778 728	63 006 779
Other materials	84 358 964	36 880 063	87 902 138	92 445 488	97 234 180
Contracted services	148 394 154	51 771 834	126 384 764	132 890 743	139 748 043
Other expenditure	18 787 524	10 295 856	16 938 843	17 929 841	18 982 626
Total Expenditure	559 391 160	260 084 952	562 305 238	599 357 302	638 989 131
Surplus/(Deficit)	(517 567 949)	(232 583 240)	(518 223 574)	(552 895 229)	(590 018 105)
Surplus/(Deficit) after capital transfers & contributions	(517 567 949)	(232 583 240)	(518 223 574)	(552 895 229)	(590 018 105)
Surplus/(Deficit) after taxation	(517 567 949)	(232 583 240)	(518 223 574)	(552 895 229)	(590 018 105)

2.10.21 RISK MANAGEMENT

Key Strategic Projects of RISK MANAGEMENT

Compliance Management Programme

The department is responsible for ensuring compliance with laws and regulations by implementing the compliance process and monitoring non-compliance throughout the City and aims to improve the level of compliance maturity over the Medium Term Revenue and Expenditure Framework (MTREF) period. The maturity projects will focus on monitoring all compliance risks and assisting departments to put into place compliance risk management plans to mitigate high risks. This programme will further include training and certification of officials in the area of compliance to improve the capacity of the municipality in managing compliance risks. The department will focus on developing a system to ensure that City of Ekurhuleni will be aware of new and amended laws and regulations.

Ethics and Anti-Fraud Programme

The CoE established the Ethics Office within the Risk Management Department to manage fraud and ethics programme and to ensure that risk management processes are in place to mitigate the risk of fraud and ethics in the City. Continuous anti-fraud campaign training and awareness programmes are being rolled out throughout City of Ekurhuleni to ensure that a culture of ethics is embedded within the organisation at every level.

Review of risk financing mechanisms

The importance of enforcing an effective risk transfer method is essential for an organisation as large as the City. Therefore, the department has identified risk financing and risk transfer as an essential component within its operations. The department will institute a project over the next three years to review the employees risk financing mechanisms as well as introduce methods that are economical, efficient and effective.

Business Continuity Programme

The Business Continuity Management programme is aimed at ensuring operational resilience against disruption of critical business processes. The BCM policy was developed and approved by Council in 2017, hence the budgetary need to continue with the

implementation of BCM programme which includes other focus areas such as validation, Business Impact Analysis, strategy and Information and Communication Technology. Moreover, the capacity of the City to effectively sustain and maintain the programme remains its biggest challenge.

Funding will also be required to train Risk Specialists on ISO 22301 standard (Business Continuity Management) within the Risk Management Department which will be introduced to embed the programme.

Operating Budget

The department will use about 85% of its total operating budget to cover its employee related costs. This will cover the expansion of the department as appointments are made in the key roles such as risk financing. Due to the nature of the work of the department which is largely advisory services, most of the financial resources are dedicated to employee pay and specialised contract projects and services (included under General Expenses). The budget requests were made on the needs known at the time of compilation of the budget. The department, from time to time, receives special and urgent assignments that may require additional funds. Therefore, the department may require additional funds over the next financial years to deal with ad-hoc assignments.

The general expenses include planned acquisitions of management information systems (Governance Risk and Compliance tool) to support the reporting on risks and compliance area as well as vetting and disclosure of interest by employees and suppliers. Furthermore, an independent maturity assessment programme must be conducted annually to ensure continuous growth and development of the Governance Risk and Compliance within the City.

Table 73 Operating Budget of the Risk Management Department

	2019/20 - Revised Budget	2019/20 - YTD as at 29th February 2020	2020/21 Draft Budget	2021/22 Draft Budget	2022/23 Draft Budget
RISK MANAGEMENT	R	R	R	R	R
Expenditure By Type					
Employee related costs	19 532 040	13 407 849	21 094 603	22 782 172	24 604 745
Other materials	393 900	153 259	187 610	188 358	189 146
Contracted services	2 256 144	665 460	2 196 521	2 196 602	2 196 688
Other expenditure	354 572	250 327	313 976	337 568	363 049
Total Expenditure	22 536 656	14 476 895	23 792 710	25 504 700	27 353 628
Surplus/(Deficit)	(22 536 656)	(14 476 895)	(23 792 710)	(25 504 700)	(27 353 628)
Surplus/(Deficit) after capital transfers & contributions	(22 536 656)	(14 476 895)	(23 792 710)	(25 504 700)	(27 353 628)
Surplus/(Deficit) after taxation	(22 536 656)	(14 476 895)	(23 792 710)	(25 504 700)	(27 353 628)

2.10.22 ROADS AND STORM WATER

The result statements of the department is contained in the IDP in **Annexure A**.

Key Strategic Projects of the Roads and Storm Water Department:

Roads and Stormwater department is mandated to provide roads and stormwater services to the community of the Ekurhuleni Metropolitan area in a sustainable and equitable manner. The department's specific mandate is to implement and maintain roads and stormwater infrastructure in the City.

Key Strategic Projects of the Roads and Storm Water Department are as follows:

1. KEY STRATEGIC PROJECTS

Doubling of Barry Marais

This project is linked to the Aerotropolis project. The aim is to create a linkage between the Airport and the southern townships. The doubling of Barry Marais will also enhance the future phases of the IRPTN project.

Project Status

The preliminary design was completed and accepted during 2019/20 financial year. The geo-tech and traffic surveys were also completed. Currently, the service provider is busy with the detail design. Once detail design is accepted, construction will follow. It is estimated that construction will commence in the 2019/2020 financial year.

Kaalspruit

The aim of this project is the rehabilitation of the Kaalspruit in line with the directive received from the Department Water and Sanitation.

Interchange Daveyton/N12

The aim of this project is to improve the accessibility of the Daveyton Central Business District. By so doing, the potential will be created to:

- Stimulate the existing CBD and to attract development capital to the CBD;
- Create employment close to the residences of the densest concentration of people residing on the East Rand;
- Deflect pressure for development from the vicinity of the adjacent interchanges, where the surrounding land is not suitable for development because no infrastructure is available at present to support the development. The necessary infrastructure, except good freeway access is already available at the Daveyton CBD;
- Correct the apartheid era planning which dictated one access per black residential area, located in a position where access to and from the area could be effectively controlled by the military; and
- Provide improved access to Sinaba Sports Stadium, a venue that is widely used by the East Rand communities.

Project status

This project is seen as an economic game changer for the Daveyton community. The detailed design for the N12 interchange and N12/Alliance road bridge upgrade were completed during this financial year. The contractor was appointed to start the construction in 2018/2019. A community engagement process has been underway with regards to property owners who are directly affected by this construction.

Upgrading of Katlehong/Vosloorus Road Link (Widening Brickfields/Vlakplaats)

The final design for the widening of Vlakplaats Road between Sontonga Road (in Katlehong) and Brickfield Road (in Vosloorus) had been completed in preparation of the WULA. The WUL is expected at the end of May 2019. The intersection between Vlakplaats and Brickfield Roads has also been finalized and as the upgrading of this intersection does not require a WUL or EA, funds have been allowed on the adjustment budget for 2018/19.

Implementation could start as soon as the As and When Contractors have been appointed.

Project Status

The feasibility studies (Environmental Impact assessment, Water Use License and Geotechnical studies) were completed. Detail design on the entire link and the widening of the Vlakplaats/Brickfield intersection were also completed. The Environmental Impact Assessment for the Link Road was approved on 9 November 2017. It is expected that the Water Use License will be obtained by May 2019. The first phase of construction for Vlakplaats, intersection upgrade, is scheduled to commence during this financial year 2018/19.

Albertina Sisulu Express

This project is linked to the Aerotropolis. The aim is to expand the development potential of the Albertina Sisulu corridor and integrate with the developments along the airport.

Project status

The City is in a dead lock situation with the land owners where a phase of the Expressway was planned to be constructed and the project cannot be proceeded with until the land owner has established a township and the road reserve will be available.

Eastleigh

The aim of this project is the rehabilitation and upgrade of the Eastleigh channel in order to deal with the increased stormwater generated in the catchment area.

Project status

Project currently at implementation phase.

CAPEX

In support of the Mayoral priorities, the Roads and Stormwater Department continues to put more focus towards massive infrastructure development in the Eastern Region of the City. Previous studies indicated that a huge backlog on road and stormwater construction is in this region. This massive infrastructure development entails roads and stormwater construction particularly but not limited to the previously disadvantaged areas such as Etwatwa, Daveyton, Kwa-Thema and Tsakane. So, for the 2019//2020 financial year budget, the CAPEX budget is split as indicated below:

- Eastern region: 46%
- Southern region: 23 %
- Northern region: 29 %
- Corporate: 2%

Since in the recent times, the country, especially the City of Ekurhuleni has experienced flash floods, the department will continue to put emphasis on the construction and upgrading of stormwater systems in areas such as Katlehong, Thokoza, Daveyton, Etwatwa, Phomolong, Edenvale.

OPEX

In the narrative below, a description of the main programme as it relates to roads & stormwater maintenance, is given

A huge backlog exists regarding the rehabilitation of roads and stormwater systems. The department manages the following:

- approximately **9 100** kilometres of tarred roads;

- approximately **1 000** kilometres of gravel roads;
- approximately **90** kilometres of block paving roads;
- approximately **1 300** kilometres of earth roads (informal roads);
- approximately **3 700** kilometres of stormwater pipes and channels;

The maintenance backlog in particular rehabilitation increases every year due to new developments but the funding is not growing in equal proportion. The department plans to do rehabilitation of roads over 330 km. The bias in this regard is in the Eastern region with 38% of the total rehabilitation budget allocated to that region.

Description	South	East	North	Total
Planned km roads rehabilitated 2019/2020	77.5 km	95 km	77.5 km	250 km

Table 74 Operating Budget of the Road and Storm Water Department

	2019/20 - Revised Budget	2019/20 - YTD as at 29th February 2020	2020/21 Draft Budget	2021/22 Draft Budget	2022/23 Draft Budget
ROADS AND STORMWATER	R	R	R	R	R
Revenue By Source					
Rental of facilities and equipment	1 813 156	352 519	1 911 067	2 014 265	2 123 035
Other revenue	28 512 243	3 111 872	25 070 945	26 424 776	27 851 715
Total Revenue (excluding capital transfers and contributions)	30 325 399	3 464 391	26 982 012	28 439 041	29 974 750
Expenditure By Type					
Employee related costs	318 631 192	163 409 006	344 121 684	371 651 428	401 383 532
Depreciation & asset impairment	713 995 202	475 996 808	749 694 962	787 179 710	826 538 696
Finance charges	163 691 068	97 109 437	170 575 617	179 786 700	189 495 182
Other materials	35 541 402	11 692 464	36 747 458	38 693 852	40 745 353
Contracted services	715 618 873	604 780 497	722 719 739	761 567 196	802 512 418
Other expenditure	15 939 803	8 484 686	16 599 606	17 589 824	18 643 677
Total Expenditure	1 963 417 540	1 361 472 899	2 040 459 066	2 156 468 710	2 279 318 858
Surplus/(Deficit)	(1 933 092 141)	(1 358 008 508)	(2 013 477 054)	(2 128 029 669)	(2 249 344 108)
Transfers and subsidies - capital	70 600 000	44 243 605	240 850 000	29 500 000	47 500 000
Surplus/(Deficit) after capital transfers & contributions	(1 862 492 141)	(1 313 764 903)	(1 772 627 054)	(2 098 529 669)	(2 201 844 108)
Surplus/(Deficit) after taxation	(1 862 492 141)	(1 313 764 903)	(1 772 627 054)	(2 098 529 669)	(2 201 844 108)

2.10.23 SPORT, RECREATION, ARTS AND CULTURE (SRAC)

The mandate of the Sport, Recreation, Arts and Culture department addresses three national policy areas, namely;

- Provision of Sport and Recreation,
- Provision of Arts, Culture and Heritage,
- Provision of Library and Information services.

The mandate is drawn directly from Schedule 4 and 5 of the Constitution of the Republic of South Africa, 1996 which describes the functional areas of the respective spheres of government. It must be noted that Library and Information Services is an exclusive Provincial and National competency (unfunded mandate); however, the City has voluntarily invested its financial / human resources to deliver on one of its strategic objectives of building sustainable communities.

Schedule 5 Part B lists the competencies in which Local government SRAC has to perform. In response to this mandate, the departmental priorities are to ensure access, increased

participation of sport, recreation arts and culture sectors, to promote nation building and social cohesion amongst the citizenry of Ekurhuleni. The department will continue to strengthen its inter-governmental relations with both national and provincial departments to effect stronger coordination and integrated service delivery. The SRAC department consists of the following functions:

- Sport and Recreation.
- Arts, Culture and Heritage.
- Library and Information Services.
- Projects.
- Support.
- Strategy and Planning.
- Operations.
- Governance and Compliance.

CITY LEVEL AND GDS

The GDS promotes the implementation of sports, arts, recreation and culture programmes in primary and secondary schools. In pursuit of the above through the implementation of this business plan the department will consolidate and responds to the following, national outcomes,

1. Quality basic education,
2. A long and healthy life style for all,
3. Skilled and capable workforce to support and inclusive growth,
4. Transforming society and uniting the country.

These outcomes are link at the city level and GDS 2055 thematic areas which the departments accounts to two; namely

- **RE-URBANISE** the city to achieve sustainable urban integration through provisioning of social amenities and addressing maintenance of sport, recreation, arts, and heritage and library facilities.
- **RE-MOBILISE** in order to build a responsive and active citizenry through provisioning of sport and recreation development programmes, libraries reading awareness programmes, and arts, culture and heritage programmes.

The department will also embark upon the following programmes we are planning for 2019/2020, which incorporates priorities identified into the plans and programmes of the national and provincial departments of Sport and Recreation and Arts and Culture.

Key projects of the Sport, Recreation, Arts and Culture Department

NAME OF THE PROJECT	BRIEF DESCRIPTION
Community Sport Promotion	<p>The community sport programme is presented in different phases. The first will be a community participation drive to get the communities active through existing programmes/events and the second phase will be the introduction of mass participation activities to the various communities.</p> <p>1.1 Consolidation and support of existing sporting codes/programmes</p> <p>1.2. Mass participation: Formal Structures</p> <p>1.3 Mass participation: Informal Settlements</p> <p>1.4 Empowerment of community participants</p> <p>The empowerment of the management of sport will be critical phase of the total community sport programmes. The programme will be a combined effort between all stakeholders who have the promotion and development of sport in</p>

NAME OF THE PROJECT	BRIEF DESCRIPTION
	all communities as a priority. The regional sport federation will play a critical role in this programme.
Kiddies Games	<p>These games were introduced in the Metro in 2003. The target age group for this programme is 3-6 years. The programme is conducted in three phases, namely, area games, regional games and metro games. At an area level the participation is opened to all crèches in Ekurhuleni. Participation at both the regional and metro games is based on accumulated points. The children aged between 4-6 years old are selected to participate in all three levels of the programme while children aged 3 years participation is only limited to the first stage of the programme with the emphasis being on activities that focuses on physical development skills. The following activities are presented at the games: 4 - 6 years activities - Ball throwing, Ball hopping, Tyre Race, Ball kicking, Ball dribbling, Cycling, Sack Race.</p> <p>3 year activities - Ball Kicking, Shooter Ride, Building Blocks, Bubble Blowing, Puzzles, Wheely.</p>
September Cultural Month	September month will be a culmination of a year-long cultural competition of various art forms to be celebrated over three days in the metro. This programme would start at ward/area competitions to the six Ekurhuleni regions into a metro-wide cultural celebration at the end of September annually. Part of the programme would encourage the use of our community halls and public spaces to display art, crafts, drama and the like.
Kempton Park Cultural Precinct	As a first step towards realising an integrated spatial framework and land use for the Aerotropolis, we propose the development of Kempton Park as the cultural capital due to the fact that it serves as a compulsory conduit in and out of South Africa. Furthermore, it would allow the City of Ekurhuleni to leverage the capital infrastructure and rich political heritage and history of the location. Amongst others, Kempton Park served as the seat for negotiations for the new political dispensation i.e. the CODESA deliberations that became the foundation for the new democracy. This provides for the possibility of the development of political tourism and exporting the South African story.
Mega Cultural Events & Creative Industries Projects	To bid and host annually Mega Cultural Events and Creative Industries Project as a signature event for the City
	Facilitating talent identification and development in partnership with our key stakeholders
	Positioning the business of Creative industries as catalyst for sustainable cultural growth
	Promoting and Preserving our heritage, including naming and re-naming
<p>Holiday Programmes</p> <p>Greater participation of children in library programmes and services at all libraries</p>	The programmes offer information and recreation activities to children and the youth at libraries during school holidays. The activities include, amongst others, career guidance, drafting of a CV, puppet shows, creating emails, video shows, storytelling, colouring, painting, and making Christmas cards, computer games and book bash literature festivals.
Fit for Free Aerobics	The Fit for Free Aerobics programme is a flagship programme for the Sport, Recreation, Arts and Culture department, which promotes healthy lifestyle. The programme started from the 2014/2015 Financial Year and it has proven to be very popular amongst the young and the old in our communities. During its inception, the programme was only offered in Katlehong, Vosloorus, Tembisa, Daveyton, Kwa-Thema and Tsakane areas. In the current financial year, this programme is offered in Katlehong, Phumula, Eden Park, Germiston, Palmridge, Dawn Park, Thokoza, Buhle Park, Reiger Park, Tsakane, Crystal Park, Kwa-

NAME OF THE PROJECT	BRIEF DESCRIPTION
	Thema, Duduza, Tsakane, Watville, Etwatwa, Daveyton, Welgedacht, Cloverdene, Dunnotar and Tembisa. This growth is attributed to this programmes popularity with our Ekurhuleni residents. The three-hour Aerobics sessions are offered, free of charge at different open spaces and stadia in the three regions of our city, every Saturday and it caters for all age groups.
Rendering of Sport & Recreation Programmes	Formalising Partnership Agreements with Community Structures for the delivery of programmes in various communities.
	Development of the City of Ekurhuleni Sport Plan
	Signing a Partnership Agreement with the High Performance Centre of the University of Pretoria to place our exceptional Athletes for further development
	Linking ECDs with Primary Schools to monitor and follow the development of children in our ECD programs.

Flagship programmes/ Commemorative Programmes	Council resolved to promote the legacy of Chris Hani and OR Tambo and has declared April and October Chris Hani and OR Tambo month respectively. These are annual programmes which involve participation of various stakeholders from political formations, provincial and national government, families, general public etc.
Oral History Workshops	The main objective of this programme is to bridge the gap between written and oral history thereby involving ordinary members of the public to be part of curating and writing their own stories. This is an on-going programme which involves the public and school learners. WITS University Oral History Department facilitates school learners' workshops thus educating them on aspect such as research, documentation as well as presentation of completed historical projects.
Indigenous Knowledge System	IKS workshops intend to reeducate and decolonize the mind of the colonized groups thereby reestablishing connection between indigenous knowledge and development in areas as such medicine, judiciary, education, agriculture, finance, peace and stability. The Herb garden at Benoni museum created an opportunity for traditional health practitioners to be incorporated and play a leading key role in primary health care. Through piloting this project, Daveyton Clinic has begun working with THP of Ekurhuleni. The constitution of the Republic of South Africa also clarifies the role of traditional leaders in local government under Traditional leadership and governance framework act 41 of 2003. Again Daveyton Court has been working in harmony with traditional leaders to resolve disputes between communities for almost 10 years now
Renaming of Geographical features	The process of renaming geographical features must not be construed with polarization between Blacks and Whites in South Africa. However, this process seeks to standardize geographical names and redress past imbalances in the representation of our historical heritage. Through this process, the country will have a true reflection of the demographic of its cultural groups. A total of 46 names were approved by council in September 2019 for renaming. Only Germiston theatre and Germiston Civic Building were renamed so far.
Exhibitions	Museums use exhibition as it is the most effective tool to educate public/school learners about their own history. Travelling and temporary exhibitions are constantly curated to engage public and solicit perspectives. By April 10, 2020 CoE will have a total of 3 museums namely Benoni museum, OR Tambo and Chris House museum. Permanent exhibitions will be refurbished to incorporate digital components and modern technology.

Commemorative Days	Commemorative programmes also include commemorative days specified within the provision of Public Holidays Act (Act No 36 of 1994). These include amongst others Heritage day, Reconciliation day, Freedom day, Workers/Africa day, Human Rights day, Youth and Women's month activities etc.
Restoration of Heritage Sites	There is a vast difference between maintenance and restoration of heritage sites. Maintenance of heritage sites can be done by Operations section but restoration of sites requires a specialized and professional individual who will make recommendations and take decisions on how buildings, monuments etc can be restored to its former glory. 90% of monuments in CoE are either defaced, destroyed or vandalized albeit its colonial symbolism and interpretation.
Nelson Mandela day	In 2019, Council entered into a memorandum of Understanding with Nelson Mandela Foundation to promote his legacy in Ekurhuleni. The programme seeks to inculcate a culture of volunteerism and patriotism amongst communities and uphold the principle of Ubuntu. During the month of July 2019, CoE employees in partnership with the provincial Department of Human settlements volunteered to build RDP houses in Palm Ridge Township.
Adelaide Tambo Public Dialogue	Adelaide Tambo was an astute political activist before marrying OR Tambo. In 1944, she worked as a courier for the ANC . She joined the ANC Youth League at 18, which she was tasked to open branches in Transvaal and elected chairperson of the George Goch branch. She shares her birthday with Nelson Mandela but she is constantly overshadowed by two giants of the liberation struggle namely OR and Nelson Mandela. The public dialogue seeks to spark public debate and conversation amongst young people on the relevancy of Adelaide Tambo's legacy in the present context.
Maintenance of Heritage Sites	There is a need for constant maintenance of heritage sites with the CoE. There are approximately 80 heritage sites which require grass cutting, installation electricity and irrigation system, replacing of old directional signage and fixing of palisade fence etc. It must also be noted that tourism growth strives where public facilities are well maintained.
Zero hour Commemoration	In 1985, the former Vlakplaas Commander, Eugene De Kok together with other 11 apartheid police officers conspired to assassinate members of the United Democratic Movement around Thokoza, Kattlehong, Daveyton, Vosloorus, Kwaitheba, Tsakane Duduza townships. They use what was commonly known as the apartheid spy to carry out heinous politically motivated crime. The apartheid spies were Joe Mamasela and Daniel Nkala who were instructed to supply zero-timed grenades and limpet mines to blow activists around these townships. These timed grenades were set to detonate at exactly 00H00. Scores of political activists were killed in these townships. Zero Hour MUST be memorialized as one of the important political events in the history of the East Rand. The directorate arts, culture and heritage will draft a report for council approval to adopt Zero Hour as the fourth special event to Chris Hani, OR Tambo and Margaret Gazo. In the next financial year, the directorate plans to commission a researcher to document stories of the survivors of Zero Hour.
Language Workshops	CoE is approved a language policy which clarifies the official languages of the City. One of the recommendation is that the office of the speaker must establish a language committee to oversee the implementation of the policy.
Schools Outreach programmes	CoE will have to work closely with the National department of Arts and Culture which is the custodian of the programme. On behalf of all the schools in Ekurhuleni, the directorate arts, culture and heritage together with the Ekurhuleni Education Districts will assist to distribute constitution booklets as well as national flags for schools to install in their premises. These flags are available for free at the National Department of Arts and Culture and constitution booklets will be provided by the National Department of justice and constitutional development and institutions are encouraged to make requests. School learners will be taught correct procedures and ways of hoisting the national flag

International Museum day	IMD is a programme to promote all museums of Ekurhuleni as cultural hubs to educate and learn about the history of the municipality. This programme targets the general public, schools and other interested parties. It will give heritage and museum services section an opportunity to promote and share with community an annual plan for museum programs. There is inadequate interaction between the community of Ekurhuleni and its museums. This is attributed to lack of public and educational programs which involve communities to narrate their own stories. Community will have an opportunity to document their own history but also given a chance to exhibit it.
Heritage Tours	<p>One of your city's principal economic development objectives is to attract a broad array of out of town and out of country visitors and to provide activities that encourage visitors to come and to extend their stay additional days in Ekurhuleni region. Cultural and Heritage Tourism is a tool of economic development that achieves economic growth through attracting visitors from outside a host community, who are motivated wholly or in part by interest in the historical, artistic, scientific or lifestyle/heritage offerings of a community, region, group or institution</p> <p>Almost all declared heritage sites of the CoE do not contribute at least 1% of GDP of the region. Heritage Tours aim to change all our declared heritage sites from been a space for once off annual ceremony to a site which brings sustainable economic benefits to the immediate community. Each quarter, a group of independent tour operators and travel journalists will be invited on a tour of five heritage sites around the region. 90% of heritage tours will take place in previously disadvantaged communities as part the Gauteng provincial mandate of advancing "Township Revitalisation Economy". A booklet of all sites will be published and distributed in most tourism centres</p>
Nomination and Declaration of Heritage Sites	<p>The South African Heritage Resources Agency is a statutory body that is mandated under the NATIONAL HERITAGE RESOURCES ACT NO. 25 OF 1999 to protect heritage resources at a national level. Part of this mandate is to identify places with qualities so exceptional that they are of national significance and investigate the possibility of declaring the place a national Heritage site.</p> <p>Declaration is the most permanent form of formal protection on a site. It is also an acknowledgement of the importance the site has in terms of the history of South Africa and has contributed significantly to the development of our nation as we are today. The site is protected to ensure the sustainability of the site and that the significance identified in the site is maintained.</p> <p>The City has identified the following sites to be declared heritage sites in the next financial year namely Ken Gampu grave, Davy Social Centre, and Thomas Nkobi grave</p>
Accredited Skills Development in craft, design, fashion and film	Training in technical and creative skills focusing on craft, design, fashion and film have been an integral part of the strategic vision for the Arts Culture and Heritage Division, it is also contained in the departmental business plan and SDBIP. The accredited creative industry skills development programme will improve skills of creative industry clusters by focusing on business administration, product development, trends and opportunities in the markets. The programme focusses on existing small business within the creative industry.
Fashion incubation	<p>This is a fashion capacity building programme for young emerging fashion designers / cutters/ seamstresses/ pattern makers. To ensure accredited and high quality and relevant training within the fashion industry clusters by focusing on:</p> <ul style="list-style-type: none"> • Business development • Entrepreneurship

	<ul style="list-style-type: none"> • Pattern making and cutting • Seamstressing • Market Access <p>This is a mentoring programme focusing on the emerging creatives within the fashion industry. Creative Industries assists with the facility, maintenance and equipment needed as well as assisting in the marketing and promotion of the fashion incubator</p>
Film Connect Developmental Programme	<p>This is a film development programme and is a collaboration programme between Sobumko Group and the City of Ekurhuleni's Department of Sport, Recreation, Arts and Culture. The Department already hosted four successful Film Connect Programmes. Over the years Film Connect's objective was about educating the youth patrons who aspire to work in the Television and Film industry and highlight different career disciplines that the industry offers. From 2019 the focus will be on digital mediums where the industry has migrated to. The film development programme will explore a dialogue about the transition from traditional content platforms to online digital platforms and how we can profit from this these platforms.</p>
Township Film Festival	<p>The film industry forms part of the development of Creative Industries in the City of Ekurhuleni. The Ekurhuleni film industry plays a vital role in growing a "smart" economy, a creative economy that not only attracts cultural workers and quality jobs, but also contributes to economic growth and social development. The Ekurhuleni's audio-visual industry encompasses a range of creative production activities including film, TV and documentary production, commercials, stills photography, animation and multimedia.</p>
Ekurhuleni Film Festival	<p>This is a showcase and promotional film programme. The objective is to Promote international solidarity and a myriad of opportunities for filmmakers, businesses and broadcasters. To create a self-sustainable film industry and a new breed world class of filmmakers in Ekurhuleni. The film festival is mainly targeting emerging film producers across all genres. We will introduce innovative ways of making high-end films with a shoestring budget and make it appeal to the international audience. Filmmakers will sign deals onsite after open pitching sessions. This festival is open to filmmakers from all over the world</p>
Pottery and Glass slumping Hub	<p><u>The Pottery Production Project</u></p> <p>Programme is funded by the Gauteng Department of Sport, Recreation, Arts and Culture. It is facilitated by the City of Ekurhuleni's Department Arts, Culture and Heritage. CoE provides the venue, sourced the beneficiaries and creates opportunities for exposure for the potters. The programme offers opportunities to out-of-school out-of-work youth (between 25 and 35 years old) residing in Ekurhuleni, particularly in the Wattville area. disadvantaged communities through training. The programme is intended to be self-sustaining in the near future by opening opportunities for self-employment thus fulfilling the economic development as per the departmental objective.</p> <p><u>Glass Slumping Programme</u></p> <p>The project is a collaboration by the Gauteng Department of Sport, Recreation, Arts and Culture and the Arts Culture and Heritage of the Ekurhuleni Metropolitan Municipality.</p> <p>Scope of work:</p>

	<p>Mintek's scope of work included:</p> <ul style="list-style-type: none"> • Procurement of equipment, raw materials and • Training
Craft and design markets and pop-up shows	Start-up and emerging creatives trained in developmental programmes require exposure, promotion and market access opportunities. By positioning creative industries in the Ekurhuleni community one creates an enabling environment by presenting awareness programmes, through which the creatives can be promoted. It contributes to both the economic growth and sustainability as well as facilitating social cohesion and nation-building. Various market access points, programmes and areas are therefore identified.
<p>Mega Cultural Events & Creative Industries Projects :</p> <p>Rock the Shades Picnic Umshubelo Event Spring Fiesta Wild Waters Hlanganani Traditional Festival All White Gospel Picnic DJ Shimza one man show Hawaai Festival Enye</p>	To bid and host annually Mega Cultural Events and Creative Industries Project as a signature event for the City Facilitating talent identification and development in partnership with our key stakeholders
Art Development School	Elementary print-making and art classes for scholars. While still offering this service and training, the programme also prepare aspiring artists who need further exposure to the art world prior to joining either the Further Education Training (FETs') or entering other tertiary institutions. The classes are taught at the Rhoo Hlatwayo Art Centre in Daveyton.
Art as Healing Classes	The Art as healing Classes focuses on using art and art materials as a healing tool in traumatized and mentally disabled communities. The project is aimed to promote social integration e.g. Art Therapy for disabled scholars of Special Needs Schools. The art as healing classes are being taught at the Ezibeleni Special Needs School in Katlehong.
Photography Classes	<p>The class aimed at youth with basic or no experience in photography. It offers a comprehensive introduction to practical/technical know-how in both digital photography, as well as theoretical knowledge in visual literacy, professional practice and technique.</p> <p>The class is designed to provide students with the necessary skills to photograph; develop a portfolio of work and enable you to assist a professional photographer under close supervision and mentorship.</p> <p>It will also open opportunities for self-employment thus fulfilling the economic development as per the departmental objective by encouraging entrepreneurship, networking skills, branding and marketing. These classes are taught at the Library Workroom in Kwa-Thema.</p>

Ekurhuleni Dance and Music Regional festivals, Drama, Poetry, Regional Festivals	<p>This initiative creates a showcasing platform for all the developing artists in the City of Ekurhuleni. Potential participants will be identified through auditions to be conducted in all the regions in our arts centres, using credible and experienced practitioners as our judges who will be given an incentive for this task.</p> <p>The finalists will be given an opportunity to perform in the main Dance and Music festival to be held at the Germiston theatre to experience competitive platforms.</p> <p>One group per genre will be selected from the Dance and Music festival to be give opportunities to perform in events that the city is collaborating in.</p>
African Indigenous music programme	<p>This aims to activate indigenous music in various tribal spaces</p> <ol style="list-style-type: none"> 1. Tsonga ,Zulu ,Venda ,Pedi ,Sotho, Tswana, Xhosa, SiSwati Traditional & Dance Ndebele, Khoi sans, Afrikaans and Indians Traditional Music & Dance <p>Practitioners will be met to activate their participation into programme leading to the main heritage festival. In September to be hosted in various venues throughout the regions of The city</p>
Indigenous Gospel Music Festival	<ul style="list-style-type: none"> • Meet with Associations in Ekurhuleni. • Build a working relationship with Indigenous gospel choirs • Hold Auditions around Ekurhuleni in all 3 x Regions <p>Make sure that the best choirs represent Ekurhuleni in the in the Elite stages</p>
Choral Music Competitions	<p>The program aims to develop, nurture and give platform to various Choral music groups that our communities have. To ensure that the choristers and conductors are skilled in various forms of the genre so as to be better stage performers in the end.</p> <ul style="list-style-type: none"> • Meet with Associations in Ekurhuleni. • Build a working relationship with choral choirs • Hold Auditions around Ekurhuleni in all 3 x Regions <p>Make sure that the best choirs represent Ekurhuleni in the in the elite stages</p>
Theatre Nights Programme	<p>An initiative to activate our theatres by hosting 4 productions every last weekend of the month. 2 productions will happen at springs Theatre and 2 will happen at the Dumisani Masilela Theatre</p>

Operating Budget of the Sport, Recreation, Arts and Culture Department

The department has been tasked to do the following:

- Improve the condition of the facilities by working with the Real Estate Department to prioritise maintenance works.
- Analyse trends and transactions to identify the reasons for the decline in revenue.
- Ensure equitable access to SRAC facilities by all communities in Ekurhuleni
- Promote and preserve the City's Cultural Heritage
- Promote social cohesion
- Promote a healthy and quality lifestyle through mass participation recreation programmes

Table 75 Operating Budget of the Sport, Recreation, Arts and Culture Department

	2019/20 - Revised Budget	2019/20 - YTD as at 29th February 2020	2020/21 Draft Budget	2021/22 Draft Budget	2022/23 Draft Budget
SPORTS, RECREATION, ARTS AND CULTURE	R	R	R	R	R
Revenue By Source					
Rental of facilities and equipment	8 107 078	3 173 735	8 544 862	9 006 278	9 492 617
Fines, penalties and forfeits	433 841	37 740	457 263	481 964	507 985
Transfers and subsidies	11 782 535	3 424 140	9 500 000	7 000 000	-
Other revenue	1 181 676	1 682 141	1 245 489	1 312 749	1 383 637
Total Revenue (excluding capital transfers and contributions)	21 505 130	8 317 755	19 747 614	17 800 991	11 384 239
Expenditure By Type					
Employee related costs	519 399 313	350 204 898	560 951 272	605 827 382	654 293 579
Depreciation & asset impairment	91 817 596	61 211 736	96 408 476	101 228 900	106 290 345
Other materials	56 597 750	25 419 854	69 718 403	71 103 289	65 035 959
Contracted services	36 736 904	17 838 506	36 488 073	35 192 563	36 989 114
Other expenditure	18 220 432	9 631 208	20 276 946	21 413 808	22 629 286
Total Expenditure	722 771 995	464 306 201	783 843 170	834 765 942	885 238 283
Surplus/(Deficit)	(701 266 865)	(455 988 446)	(764 095 556)	(816 964 951)	(873 854 044)
Transfers and subsidies - capital	8 663 989	1 178 462	10 500 000	11 000 000	2 000 000
Surplus/(Deficit) after capital transfers & contributions	(692 602 876)	(454 809 984)	(753 595 556)	(805 964 951)	(871 854 044)
Surplus/(Deficit) after taxation	(692 602 876)	(454 809 984)	(753 595 556)	(805 964 951)	(871 854 044)

2.10.24 STRATEGY & CORPORATE PLANNING

The result statements of the department is contained in the IDP in Annexure A

Mandate of the Strategy and Corporate Planning Department

The mandate of the Strategy and Corporate Planning Department (SCP) is to provide strategic direction and ensure effective and uniform strategic planning, monitoring and evaluation and research systems for City of Ekurhuleni. The department's core area of delivery includes strategic planning and support to all the departments of the Municipality; monitoring and evaluation and reporting for the entire Metro. Moreover, the department focuses on some of the research matters of the Metro, making available and intelligence to enhance decision making and planning across the Metro. The Strategy and Corporate Planning Department has been organised into functional areas that best allow it to meet its core business requirements. Its role is critical in ensuring that the integrated development plan is in line with the 2055 vision of GDS.

Table 76 Operating Budget of the Strategy & Corporate Planning Department

	2019/20 - Revised Budget	2019/20 - YTD as at 29th February 2020	2020/21 Draft Budget	2021/22 Draft Budget	2022/23 Draft Budget
STRATEGY & CORPORATE PLANNING	R	R	R	R	R
Expenditure By Type					
Employee related costs	25 917 651	15 364 249	27 991 066	30 230 350	32 648 775
Depreciation & asset impairment	488 580	325 728	513 010	538 661	565 593
Other materials	2 308 775	780 174	1 636 055	1 641 914	1 648 089
Contracted services	1 238 545	-	1 156 141	1 156 149	1 156 157
Other expenditure	1 232 636	339 553	562 851	603 442	647 173
Total Expenditure	31 186 187	16 809 704	31 859 123	34 170 516	36 665 787
Surplus/(Deficit)	(31 186 187)	(16 809 704)	(31 859 123)	(34 170 516)	(36 665 787)
Surplus/(Deficit) after capital transfers & contributions	(31 186 187)	(16 809 704)	(31 859 123)	(34 170 516)	(36 665 787)
Surplus/(Deficit) after taxation	(31 186 187)	(16 809 704)	(31 859 123)	(34 170 516)	(36 665 787)

2.10.25 TRANSPORT PLANNING AND PROVISION

The result statements of the department is contained in the IDP in Annexure A.

Flagship Projects as pronounced by the Executive Mayor

Integrated Rapid Public Transport Network (IRPTN)

The Department of Transport Planning and Provision is responsible for the Integrated Rapid Transit Network (IRPTN). This project emanated from the Public Transport Action Strategy and Action Plan which was adopted by the National Cabinet in 2007. The strategy is aimed at accelerated modal upgrading and Integrated Public Transport Networks.

Ekurhuleni is one of the 12 metros in the country identified to implement an IRPTN. The department has been allocated a budget of R2.1 billion over the 2018/19 MTREF from the Public Transport Network Grant (PTNG) as well as R6.2 billion over the 2016/17 MTREF from the Urban Settlement Development Grant (USDG).

Progress to date on the IRPTN can be summarised as follows:

- I. The first Harambee bus “took to the streets” on the 18th of October 2017. Eight buses were operational then. They each have a capacity to ferry 36 seated passengers and 54 standing passengers at R13 per single trip from Rabasotho in Tembisa to Isando and vice versa.
In December 2018, we have added 10 more busses and have extended our footprint to OR Tambo International Airport and Tembisa Hospital. In the same period the Europay Master Visa card was piloted and later launched in August 2019. The service is however limited as only parts of Phase 1A of the project is being operationalised. The IRPTN Operational Plan was approved by the National Department of Transport in December 2012.
- II. Non-Motorised Transport (NMT) which includes cyclist and pedestrian paths, is intended to promote diversified public transport alternatives which is demonstrated by the construction of alternative transport infrastructure. Pedestrian and cyclist paths are constructed alongside identified routes to allow ease of movement for pedestrians and cyclists. The NMT infrastructure is also intended to ease mobility and improve safety on the roads for people living with disabilities. The City has completed more than 19km of NMT infrastructure along BRT routes.
- III. Bus ways - The City that identified routes where bus ways are being constructed or modified to ease the flow of traffic by creating lanes dedicated to use by buses, therefore easing traffic congestion, allowing passengers to reach chosen destinations including places of work more efficiently, within desired timeframes and at a reasonable cost. A total of 14.03km trunk and complementary routes were completed to date. A total of 5 Feeders and 1 Complementary routes into the BRT system were also upgraded so as to conform with BRT buses specifications.
- IV. BRT Stations - A total of 13 stations which are situated along the trunk route on Andrew Maphetho drive are under construction and will all be completed and operationalised in July 2020. These were planned on the basis of demand numbers; space and road alignment. All stations are located within the median of the road where dedicated bus-lanes can be accommodated. The stations are enablers of a full BRT system in that key functions including system access control, route guidance, money handling and customer-interfacing activities are performed. Stations also promote efficiencies of the system.
- V. Six Pedestrian bridges at the following stations are completed:
 - Station 11- Andrew Mapheto/Benjamin Nthlane (x2)
 - Station 12 – Andrew Mapheto/Dan Nkabinde
 - Station 14 – Andrew Mapheto/Transformation

- Station 19 – Zuurfontein/Ossewa
 - Station 20 – Zuurfontein/Oranjerivier
 - Zuurfontein/Bergrivier
- VI. A total of 69 Bus Laybys/Stops were completed along the BRT route, from Tembisa Hospital to Isando and OR Tambo international Airport since inception of the project. These are intended for access to a Public Transport system within close reach, i.e. 500m from residential areas.
- VII. The City has provided more than 200 streetlighting poles along the BRT route. This project will be rolled out throughout the route and other phases. It is intended to illuminate the BRT route for safety and easy access when dark.

PROJECT NAME	PROJECT DESCRIPTION
Extension of Harambee BRT service	Service and route extension of the Harambee BRT system to other areas.
Development of an Integrated Public Transport Network plan.	A plan intended to integrate various road transport modes, including buses, trains and minibus taxis while promoting Transit Oriented Developments and public transport corridors, inclusive of among others; inter-modal zones and facilities, etc.
BRT Phase 2 Operations and Business plans	Initiating Phase 2 of the BRT system stretching from Kempton park West to Katlehong.
Non-motorised Transport infrastructure	Promoting diversified public transport alternatives for road-users safety and promoting access to Public Transport for people living with disabilities.
BRT Stations	Access and transfer points for the BRT system, enabling full BRT operations.
Depot and warehouse renovations	All Depot as well as Warehouse renovations in order to comply with OHS Act.
CITP	The CITP is a chapter in the Integrated Development Plan (IDP) of the City of Ekurhuleni and an integral component focusing specifically in the transport sector. This document takes cognisance of other development strategies such as the Municipal Spatial Development Framework (MSDF), Provincial and National strategies including passenger rail, freight future developments within the city etc.

Operating Budget of the Transport and Fleet Management Department

The Transport Department is responsible for the transport planning and public transport function. The City has approved the Comprehensive Integrated Public Transport Plan that guides the development of transportation and spatial planning in the City.

Table 77 Operating Budget of the Transport Planning and Fleet Department

	2019/20 - Revised Budget	2019/20 - YTD as at 29th February 2020	2020/21 Draft Budget	2021/22 Draft Budget	2022/23 Draft Budget
	R	R	R	R	R
TRANSPORT					
Revenue By Source					
Transfers and subsidies	205 327 720	154 688 005	358 466 000	301 951 000	319 587 000
Other revenue	120 399 256	13 229 241	53 422 907	56 307 743	59 348 361
Total Revenue (excluding capital transfers and contributions)	325 726 976	167 917 246	411 888 907	358 258 743	378 935 361
Expenditure By Type					
Employee related costs	250 225 885	142 644 458	270 243 959	291 863 480	315 212 546
Depreciation & asset impairment	684 799	456 536	719 039	754 991	792 741
Finance charges	39 377 345	23 356 152	41 503 722	43 744 923	46 107 149
Other materials	26 282 175	14 771 399	27 769 365	29 078 148	30 457 605
Contracted services	214 509 206	155 050 709	365 970 484	309 829 575	327 859 867
Transfers and subsidies	5 000 000	2 500 000	5 000 000	5 000 000	5 000 000
Other expenditure	35 039 688	21 712 405	37 416 611	39 471 682	41 646 677
Total Expenditure	571 119 098	360 491 658	748 623 180	719 742 799	767 076 585
Surplus/(Deficit)	(245 392 122)	(192 574 413)	(336 734 273)	(361 484 056)	(388 141 224)
Transfers and subsidies - capital	473 825 274	217 676 530	358 000 000	359 000 000	370 000 000
Surplus/(Deficit) after capital transfers & contributions	228 433 152	25 102 117	21 265 727	(2 484 056)	(18 141 224)
Surplus/(Deficit) after taxation	228 433 152	25 102 117	21 265 727	(2 484 056)	(18 141 224)

2.10.26 BUDGET FOR BRAKPAN BUS COMPANY (BBC)**CHALLENGES**

The current pilferage rate has prompted the company to see the need to drive for pre paying customers, so as to improve the collection of revenue and minimise the time and money spent on disciplinary matters.

The company concedes that buses have been underutilised during off peak hours and the vigorous marketing of the busses, by the employed Sales and Marketing Officer is embarked upon and thus maximise their use, for example, on special hire trips and contracting with corporate. The company has also seen the need to embark on advertising and branding on the buses to generate extra revenue. The survey on customer satisfaction is under way, this will assist to improve on the company's customer service, by identifying gaps given the survey results.

Internally on the employee's side, implementation of the South African Road Passenger Bargaining Council agreement comprehensively will assist in improving the morale by offering basic benefits, for example, implement the housing and medical aid subsidy. Also by encouraging and incentivising driver's good conduct especially to commuters.

KEY PRIORITIES

In order to improve on the competitiveness of the company, and improve on income generated, the company will be embarking on the following priority projects:

- Increasing the number of pre-paying customers (compared to cash paying customers);
- Conducting customer satisfaction surveys, to identify areas requiring improvement;
- Improve on governance and risk management systems and controls, in order to optimise effectiveness and efficiencies;
- Marketing of Brakpan Bus Company services, and maximise the use of buses on special hire trips;

- Service Level Agreement with the workshop to be renegotiated to improve the turn-around time;
- A tender to be issued for diesel supply to ensure agility when diesel is unavailable from City of Ekurhuleni sources;
- Improving staff morale

Table 78 Operating Budget of the Brakpan Bus Company

BBC	2019/20 - Revised Budget R	2019/20 - YTD as at 29th February 2020 R	2020/21 Draft Budget R	2021/22 Draft Budget R	2022/23 Draft Budget R
Revenue By Source					
Interest earned - external investment	355 814	16 286	430 140	474 053	461 000
Transfers and subsidies	21 559 426	4 010 001	11 665 369	12 133 905	12 556 000
Other revenue	38 306 227	6 781 994	18 570 330	22 419 299	23 847 749
Total Revenue (excluding capital transfers and contributions)	60 221 467	10 808 281	30 665 839	35 027 257	36 864 749
Expenditure By Type					
Employee related costs	19 132 746	17 009 325	18 963 868	21 424 793	22 703 482
Depreciation & asset impairment	3 944 962	1 768 918	1 856 639	2 159 006	2 247 700
Finance charges	50 880	-	-	-	-
Other materials	5 596 674	379 482	2 699 789	3 142 640	3 271 743
Contracted services	1 951 826	96 292	977 900	1 137 158	1 183 874
Other expenditure	29 544 379	2 299 379	6 167 643	7 163 660	7 457 951
Loss on disposal of PPE	-	(10 298)	-	-	-
Total Expenditure	60 221 467	21 543 098	30 665 839	35 027 257	36 864 749
Surplus/(Deficit)	-	(10 734 817)	-	0	0
Surplus/(Deficit) after capital transfers & contributions	-	(10 734 817)	-	0	0
Surplus/(Deficit) after taxation	-	(10 734 817)	-	0	0

2.10.27 WATER AND SANITATION

The result statements of the department is contained in the IDP in Annexure A.

Key Strategic Projects of the Water and Sanitation Department

PROJECT NAME	PROJECT DESCRIPTION
WATER LOSS ERADICATION PROGRAMME.	
Percentage of non-revenue water	<p>The Department intends to reduce the Non-Revenue Water percentage for the 2018/19 Financial Year to 32.45%. Continuous efforts and strategies are being undertaken to ensure that the fluctuation of water loss is kept under the relevant required percentage.</p> <p>There are various projects within this programme, some of which are listed below:</p> <ol style="list-style-type: none"> 1) Pipe replacement programme. 2) Metering of unmetered properties. 3) Domestic leak repairs and meter replacement. 4) Bulk metering audit and consolidation for top consumers. 5) Replacement of aged water meters 6) Sectorisation, replacement of valves and pressure management 7) Community awareness campaigns 8) Cathodic protection of steel pipelines 9) Metering of informal settlements 10) Telemetry
INVESTMENT IN WATER INFRASTRUCTURE TO ENSURE SECURITY OF SUPPLY	

PROJECT NAME	PROJECT DESCRIPTION
Increased Water Storage Capacity	<p>For the financial year 19/20 and beyond the Water and Sanitation Department planned to ensure the Construction of Additional Water Reservoirs Capacity & Waste Water Treatment Works Additional Capacity of 50ml.</p> <p>The Water & Sanitation commenced with the implementation of the Aqua Leap Programme. The outputs of the programme are as follows:</p> <ul style="list-style-type: none"> • The investigation of phasing out of sewer pump station (planning in progress) • Metering 40,000 properties (in progress) • 50 Years WWTW Regionalisation and Master Plan (consultants assigned) <p>The progress to date on reservoir is as follows:</p> <p>Awaiting site handover</p> <p>Edelwesiss tower (2MI) Edelwesiss reservoir (30MI) Dawn Park tower (1.5ml) Hilltop reservoir (15MI) Madeley reservoir (25MI)</p> <p>Construction</p> <p>Russel road (30MI) – Construction Credi (25MI) – Construction Brakpan (18MI) - Construction Zulu Xhosa (13MI) – construction Etwatwa Tower (2MI) – construction Clayville (25MI) – Construction Isando (10MI) - Construction Welgedacht tower (0.75MI) – construction Tembisa Tower (2MI) – construction Northmead Tower (5.5MI) – construction Bredell (25MI) – construction Pam Brink (25MI) – construction Impala (10MI) – construction Oliphantsfontein (20MI) – construction Alberton South Crest (10MI) – construction Duduza (15MI) – construction Modder East (25MI) – construction Fairleads 25MI) – construction Kempton Park (25MI) (Phase 2) – construction Cossins reservoir (20MI) – construction</p> <p>Completed awaiting commissioning</p> <p>Palmridge (35MI) – Complete awaiting commissioning Kempton Park (25MI) – Complete awaiting commissioning Benoni reservoir (5MI) – Complete awaiting commissioning</p> <p>Completed & commissioned</p> <p>Nigel Tower (1MI) – Completed and commissioned Etwatwa (10MI) – Completed and commissioned Welgedacht (7.5MI) – Completed and commissioned</p>

City of Ekurhuleni – 2020/21 – 2022/23 Draft Medium-Term Revenue and Expenditure Framework

PROJECT NAME	PROJECT DESCRIPTION		
	TOTAL STORAGE TO BE CREATED = 466.25MI (TARGET IS 550MI)		
Alternative water resources within the CoE	Feasibility study of all alternative water resources within the CoE to augment the existing RW water supply.		
Immediate refurbishment of water network	In order to reduce the level of service interruption in providing the water supply and elimination of sewer spillages, the department has implemented over the past 3 years replaced. Upgraded or extended 54km of water and sewer pipes. During the 2018.19 financial year the Department will replace, upgrade or extend 11km. The Department has planned a total of 1,000km over the next 5 years. This will go a long way in ensuring that a certain portion of the infrastructure is upgraded.		
Water & sewer Pipes Upgrade , extension , replacement	Pipeline Replacement & Upgrading Programme		
	2016.17 Progress		
	A total of 12.934km was achieved for both water & sewer		
	Project Name	Km	
	Eliminate Benoni Sewer Pump station	0.185	
	Etwatwa Ext19 Reservoir, Tower, access road and pipeline	1.013	
	Etwatwa Sewer Upgrades	3.2	
	Mayfield Ext 1 Phase 2	3.675	
	MIC BLOCKS NORTH EAST	0.345	
	Moderfontein 76 IR Ptn 7 E/tial SVC C F	0.317	
	Pomona: Bulk supply Albertina Sisulu Corridor	0.113	
	Tembisa Sewer	3.85	
	Upgrade Outfall Sewers in Vosloorus C/F	0.236	
	TOTAL	12.934	
	2017.18 Progress		
	A total of 41km of both water and sewer were completed during the 2017.18 FY as follows:		
	Project Description	Km Achieved	Ward
	Edenvale: Illiondale Outfall sewer(Edenvale)	0.7km	18
	Etwatwa Sewer Upgrades(Etwatwa)	11.5km	65
	Farrarmere Gardens: Extend water and sewer services(Benoni)	0.9km	28
GERMISTON BVD WAT NET UPG PHASE 2	0.3km	35	
Germiston: Upgrade and replace Dekema outfall sewer(Germiston)	0.6km	40	
Mayfield Ext 1(Benoni)	6.9km	96	
Vosloorus	0.9km	41	
Lilianton	0.9km	33	
Phomolong replacement of midblocks pipelines	0.4km	90	

PROJECT NAME	PROJECT DESCRIPTION		
	War on leaks: Tsakane	22.5km	85 , 113
	Pomona New eastern of sewer	2km	15,100
	TOTAL KM OF WATER & SEWER REPLACED,UPGRADED OR INSTALLED		41.1km
	2018.19 Progress Year To Date (Up to Dec 2018)		
	Germiston: Upgrade and Replacement Dekema Outfall sewer		3,374.00
	Elsburg Koppies Outfall sewer Phase 2		715.701
	Tembisa Design And Construction of Sewer Pipes		1,953.00
	Eliminate Benoni Sewer Pumpstation		685
	Lilianton outfall sewer		1500
	Illiondale Outfall Sewer		2900
	Bulk water supply to Benoni reservoir		390
	Replace Main Water-Isekelo Tembisa		510
	TOTAL		12,027.70
	During the 2018.19 financial year the Department replaced, upgraded or extended 12km. The Department has planned a total of 1,000km over the next 5 years. This will go a long way in ensuring that a certain portion of the infrastructure is upgraded.		

Operating Budget of the Water and Sanitation Department

The department requires an increased Operational Budget to cater for various programs related to service delivery especially the following:

- **Continued management of Water Supply to Consumers:** Management of pump-stations, is part of the services currently contracted to ERWAT to ensure the smooth running and proper maintenance with continued load shedding and over-reliance on generators, the Department will have to channel some of the budget towards the pump stations.
- **Repairs and Maintenance to Infrastructure:** The Departmental's Operational Budget caters for both the human resource required to maintain the infrastructure and the actual funding thereof. In terms of capacity, the Department continues to maintain its achievement of attending to 90% of all queries received for Water and Sewer complaints despite capacity challenges. The Department has further invested great effort in the preparation of ISO 2015:9001 quality service standards and through such have mapped most of the standard operating procedures to standardise and determine the service standards and expectations.

There is however a continued concern that since most of the sewer and water infrastructure underground has aged, the allocated budget for Repairs and Maintenance is not sufficient to cover the cost of major repairs. The frequency of service interruption has a risk of lessening community trust but with the back-up of water tankers, the city is able to temporarily cater for services.

- **Provision of Services to Informal Settlement:** The department aim to ensure that all informal settlements have access to water through the water service points and ablution facilities (chemical toilets). Recently, efforts have been increased to ensure that the ratio standard of 1:10 is exceeded and more toilets are provided to accommodate issues of safety and continued healthy environment. This then reduces the distance travelled in the dark to reach the share facility and eliminate the need for frequent maintenance. So far the department has already provided an estimated total of thirty-six thousand chemical toilets which are maintained on a weekly basis to ensure continued provision of sanitation service and maintenance of dignity for our people.

Additional to the above a huge percentage of the operational expenditure budget is allocated to Bulk purchase of water which is required to cater for the increasing demand from the growing city. The greatest challenge facing the department is aging infrastructure for both water and sewer. In facilitating the water supply and continued service delivery, the department is further investing in continuous repairs and maintenance programmes aimed at ensuring continued supply of water and prevention of sewer spillages.

The department is further continuing in assisting the city's indigent community through projects aimed at fixing their internal leaks to reduce the water demand and financial burden associated with water leakages.

Table 79 Operating Budget of the Water and Sanitation Department

	2019/20 - Revised Budget	2019/20 - YTD as at 29th February 2020	2020/21 Draft Budget	2021/22 Draft Budget	2022/23 Draft Budget
WATER AND SANITATION	R	R	R	R	R
Revenue By Source					
Service charges	7 251 954 488	4 588 132 266	8 271 452 711	9 436 379 199	10 767 529 448
Interest earned - external investm	326 766 523	184 033 828	344 411 915	363 010 158	382 612 707
Fines, penalties and forfeits	1 237 116	634 519	1 303 921	1 374 333	1 448 548
Transfers and subsidies	1 738 055 278	1 293 734 507	1 962 370 946	2 155 976 069	2 382 124 969
Other revenue	17 309 427	22 127 560	18 244 136	19 229 319	20 267 702
Total Revenue (excluding capital transfers and contributions)	9 335 322 832	6 088 662 680	10 597 783 629	11 975 969 078	13 553 983 374
Expenditure By Type					
Employee related costs	487 075 439	315 167 718	526 041 467	568 124 787	613 574 766
Debt impairment	193 937 021	129 291 352	199 616 828	219 578 511	241 536 362
Depreciation & asset impairment	109 254 472	72 836 320	114 717 196	120 453 055	126 475 708
Finance charges	141 962 439	84 240 877	149 628 411	157 708 345	166 224 596
Bulk purchases	3 968 083 854	2 439 433 931	4 303 270 656	4 948 761 254	5 691 075 442
Other materials	239 661 409	125 955 283	393 790 681	431 776 293	474 438 449
Contracted services	888 833 848	577 929 668	1 057 203 161	1 166 362 947	1 287 235 345
Transfers and subsidies	595 635 521	294 312 216	658 300 000	693 048 200	759 132 803
Other expenditure	23 512 018	13 487 539	24 779 820	26 253 769	27 823 790
Total Expenditure	6 647 956 021	4 052 654 905	7 427 348 220	8 332 067 161	9 387 517 261
Surplus/(Deficit)	2 687 366 811	2 036 007 774	3 170 435 409	3 643 901 917	4 166 466 113
Transfers and subsidies - capital	19 500 000	5 541 093	488 941 764	340 000 000	190 037 037
Surplus/(Deficit) after capital transfers & contributions	2 706 866 811	2 041 548 868	3 659 377 173	3 983 901 917	4 356 503 150
Surplus/(Deficit) after taxation	2 706 866 811	2 041 548 868	3 659 377 173	3 983 901 917	4 356 503 150

2.10.28 BUDGET OF ERWAT**Key Strategic Projects of ERWAT**

The Erwat Board approved a strategy at its strategic planning session and the following key strategic projects were identified:

The above was reduced to two clear strategic objectives namely:

- 19 Green Drop Awards.

19 GREEN DROP AWARDS

In order to achieve the strategic objective of 19 Green Drop Awards the Erwat Capital Budget has been reassessed and prioritised to be able to achieve this objective. It is however clear that the timeframe for achieving this objective is quite long and the current target is 10 Green Drop Awards by 2019.

Operating Budget

For the financial year budget of 2020/21, net operating surplus of R200 million will be realised.

Total Income

The total income increased with 11.4% from 2019/20 to 2020/21.

Non-exchange revenue

There was an increase in non-exchange revenue as the Grant for 2019/20 to 2020/21 amounted to R1.1 billion.

Exchange revenue

The Exchange Revenue increase is 10.5% from 2019/20 to 2020/21 financial year; the main drivers are the following:

- **Service charges increased by 11.00%**
 - The Service charges is paid by the members of the entity (City of Ekurhuleni (CoE), City of Johannesburg (CoJ) and Lesedi Municipality in term of the Service Level Agreements (SLA) between the members and ERWAT.

Expenditure

The total expenditure increased by 11.4%, which be covered by the total income increase of 11.4% to cover the costs. The main driver of the increases are the following:

- **Senior Management increased by 234.86%**
 - Three new vacancies were budgeted for as per the new structure approved by the Board of Directors
- **Other Staff cost increased by 15.14%**
 - Under the manpower budget, our increase relating to the salaries relates to planning of future employment to fill the gaps in our structure in the Commercial business.
 - Overtime payments also increased due to the 7 day/week shift (Green Drop Compliance).

- HR staff cost increased to cater for more Wastewater learnership from NQF 2 – NQF4, Coaching training to all executives, Additional compliance training and Apprentice training.
- **Operational cost increased by 22.9%**
 - Transport cost increased to cover the activities required to generate revenue.
 - Repair and maintenance increased to cover the pump stations service level agreement with CoE.
 - Marketing cost increased due to the fact that we exhibit at least six exhibitions per financial year compare to once every second year, with some ad hoc exhibitions as and when the MD requires it.
- **Bulk purchases increased by 11%**
 - In line with the CPIX rates and increase in business activities due to business growth.
 - The Chemical budget was increased to accommodate analysis requirements for Green Drop compliance.
- **Depreciation increased by 2.32%**
 - The depreciation charge minimal increase is due to Capital expenditure that decreased.
- **Interest decreased by 2.57%**
 - Interest charges decreased due to Capital repayment on Long Term loans, as the Capital decrease the interest charges decrease.
- **Contribution for bad debts decreased by 33%**
 - The contribution decreased based on the estimated debt to be provided for 2018/2019 year.

Table 80 Budget of ERWAT

ERWAT	2019/20 - Revised Budget R	2019/20 - YTD as at 29th February 2020 R	2020/21 Draft Budget R	2021/22 Draft Budget R	2022/23 Draft Budget R
Revenue By Source					
Interest earned - external investm	3 722 160	1 301 277	3 722 160	4 025 888	4 347 959
Transfers and subsidies	-	140 808	-	-	-
Other revenue	995 966 930	704 004 170	1 100 397 935	1 367 364 091	1 613 892 216
Total Revenue (excluding capital transfers and contributions)	999 689 090	705 446 254	1 104 120 095	1 371 389 979	1 618 240 175
Expenditure By Type					
Employee related costs	379 513 239	238 388 936	410 475 684	520 772 963	614 512 096
Debt impairment	1 625 838	352 593	1 625 838	2 230 351	2 631 814
Depreciation & asset impairment	74 051 053	64 369 293	105 500 000	112 915 000	120 786 950
Finance charges	57 012 329	31 168 650	48 453 870	67 636 005	79 810 486
Other materials	190 412 444	126 711 193	234 540 585	261 191 663	308 359 103
Contracted services	66 476 366	38 002 620	49 566 506	84 919 504	112 504 824
Transfers and subsidies	867 149	-	1 011 238	1 189 569	1 403 691
Other expenditure	229 730 672	141 645 198	252 946 375	320 534 924	378 231 210
Loss on disposal of PPE	-	560 923	-	-	-
Total Expenditure	999 689 090	641 199 406	1 104 120 095	1 371 389 979	1 618 240 175
Surplus/(Deficit)	-	64 246 849	-	-	-
Transfers and subsidies - capital	145 635 521	50 971 834	200 000 000	210 000 000	250 000 000
Surplus/(Deficit) after capital transfers & contributions	145 635 521	115 218 683	200 000 000	210 000 000	250 000 000
Surplus/(Deficit) after taxation	145 635 521	115 218 683	200 000 000	210 000 000	250 000 000

2.11 Contracts having future budgetary implications

In terms of the metro's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation or Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

2.12 Capital expenditure details

The following four tables present details of the metro's capital expenditure programme, firstly on new assets, then the renewal of assets ,repair and maintenance of assets and finally on the upgrading on the exisiting assets.

Table 81 MBRR SA34a - capital expenditure on the renewal of new assets by asset class

City of Ekurhuleni – 2020/21-2022/23 Draft Medium Term Revenue and Expenditure Framework

EKU Ekurhuleni Metro - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	1,548,453	1,495,382	58,050	–	–	–	121,400	135,000	71,710
Roads Infrastructure	788,867	692,706	13,751	–	–	–	–	–	–
Roads	788,867	692,706	13,751	–	–	–	–	–	–
Electrical Infrastructure	390,713	465,247	44,098	–	–	–	–	–	–
HV Transmission Conductors	390,713	465,247	44,098	–	–	–	–	–	–
Water Supply Infrastructure	204,276	161,203	–	–	–	–	–	–	–
Distribution	204,276	161,203	–	–	–	–	–	–	–
Sanitation Infrastructure	126,126	40,683	–	–	–	–	121,400	135,000	71,710
Pump Station	–	–	–	–	–	–	–	–	–
Reticulation	126,126	40,683	–	–	–	–	–	–	–
Waste Water Treatment Works	–	–	–	–	–	–	121,400	135,000	71,710
Solid Waste Infrastructure	38,472	135,542	–	–	–	–	–	–	–
Landfill Sites	–	20,298	–	–	–	–	–	–	–
Capital Spares	38,472	115,244	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	201	–	–	–	–	–	–
Community Assets	118,662	39,322	7,303	307,400	280,754	280,754	328,000	272,118	322,000
Community Facilities	102,594	31,847	7,303	307,400	280,754	280,754	328,000	272,118	322,000
Halls	–	–	6,613	85,500	101,500	101,500	125,000	59,218	141,000
Centres	–	–	–	–	–	–	–	–	–
Crèches	–	–	–	–	–	–	–	–	–
Clinics/Care Centres	72,181	11,913	690	23,200	14,820	14,820	1,500	12,900	4,500
Fire/Ambulance Stations	–	–	–	86,700	52,434	52,434	89,500	88,000	64,500
Museums	–	5,950	–	–	–	–	–	–	–
Libraries	26,893	6,884	–	–	–	–	–	–	–
Cemeteries/Crematoria	3,520	7,100	–	–	–	–	–	–	–
Police	–	–	–	–	–	–	–	–	–
Parks	–	–	–	–	–	–	–	–	–
Public Open Space	–	–	–	112,000	112,000	112,000	112,000	112,000	112,000
Sport and Recreation Facilities	16,068	7,476	–	–	–	–	–	–	–
Indoor Facilities	–	–	–	–	–	–	–	–	–
Outdoor Facilities	16,068	7,476	–	–	–	–	–	–	–
Investment properties	281,214	581,005	–	–	–	–	–	–	–
Revenue Generating	281,214	581,005	–	–	–	–	–	–	–
Improved Property	281,214	581,005	–	–	–	–	–	–	–
Other assets	197,747	345,490	–	127,700	121,230	121,230	253,700	254,542	88,700
Operational Buildings	197,747	345,490	–	127,700	121,230	121,230	253,700	254,542	88,700
Municipal Offices	197,747	345,490	–	–	–	–	–	–	–
Depots	–	–	–	127,700	121,230	121,230	253,700	254,542	88,700
Capital Spares	–	–	–	–	–	–	–	–	–
Intangible Assets	–	–	1,223	–	–	–	–	–	–
Servitudes	–	–	1,223	–	–	–	–	–	–
Licences and Rights	–	–	1,223	–	–	–	–	–	–
Computer Software and Applications	–	–	1,223	–	–	–	–	–	–
Computer Equipment	–	–	504,735	9,086	9,086	9,086	578	556	585
Computer Equipment	–	–	504,735	9,086	9,086	9,086	578	556	585
Furniture and Office Equipment	–	–	37,533	65,618	39,954	39,954	71,509	85,757	88,071
Furniture and Office Equipment	–	–	37,533	65,618	39,954	39,954	71,509	85,757	88,071
Machinery and Equipment	–	–	70,934	101,515	139,115	139,115	14,141	14,179	14,220
Machinery and Equipment	–	–	70,934	101,515	139,115	139,115	14,141	14,179	14,220
Transport Assets	18,938	–	324,046	230,622	316,500	316,500	244,230	269,155	273,931
Transport Assets	18,938	–	324,046	230,622	316,500	316,500	244,230	269,155	273,931
Libraries	–	–	395,282	–	–	–	–	–	–
Libraries	–	–	395,282	–	–	–	–	–	–
Total Capital Expenditure on new assets	2,165,014	2,461,200	1,399,107	841,941	906,638	906,638	1,033,558	1,031,307	859,217

Table 82 MBRR SA34b - capital expenditure on the renewal of existing assets by asset class

City of Ekurhuleni – 2020/21-2022/23 Draft Medium Term Revenue and Expenditure Framework

EKU Ekurhuleni Metro - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	1,031,098	1,076,898	2,225,703	3,119,765	2,953,760	2,953,760	2,734,432	2,744,936	3,457,950
Roads Infrastructure	404,944	346,823	952,550	1,061,798	1,002,944	1,002,944	499,787	515,116	926,500
<i>Roads</i>	404,944	323,455	952,550	1,061,798	1,002,944	1,002,944	499,787	515,116	926,500
<i>Capital Spares</i>		23,368							
Storm water Infrastructure	–	–	56,571	34,000	26,050	26,050	19,500	20,500	29,500
<i>Drainage Collection</i>	–	–	56,571	34,000	26,050	26,050	19,500	20,500	29,500
Electrical Infrastructure	79,839	111,189	630,547	713,000	702,720	702,720	719,500	761,000	826,500
<i>Power Plants</i>									
<i>HV Substations</i>	–	–	–	183,000	159,000	159,000	165,000	131,000	140,000
<i>HV Switching Station</i>									
<i>HV Transmission Conductors</i>	79,839	111,189	–	444,000	447,720	447,720	464,500	516,000	554,500
<i>MV Substations</i>	–	–	79,249	–	–	–	–	–	–
<i>MV Switching Stations</i>									
<i>MV Networks</i>	–	–	396,736	86,000	96,000	96,000	90,000	114,000	132,000
<i>LV Networks</i>	–	–	154,562	–	–	–	–	–	–
Water Supply Infrastructure	74,076	46,317	414,771	426,660	457,364	457,364	738,500	844,000	981,000
<i>Reservoirs</i>	–	–	138,045	–	–	–	–	–	–
<i>Distribution</i>	74,076	46,317	276,726	426,660	457,364	457,364	738,500	844,000	981,000
Sanitation Infrastructure	47,100	57,360	167,252	234,520	175,395	175,395	92,800	86,000	149,000
<i>Pump Station</i>									
<i>Reticulation</i>	47,100	57,360	152,011	234,520	175,395	175,395	92,800	86,000	149,000
<i>Waste Water Treatment Works</i>	–	–	15,241	–	–	–	–	–	–
Solid Waste Infrastructure	91,263	82,912	4,012	127,600	130,100	130,100	84,000	142,500	212,900
<i>Landfill Sites</i>	91,263	82,912							
<i>Waste Transfer Stations</i>	–	–	4,012	127,600	130,100	130,100	84,000	142,500	212,900
Information and Communication I	333,876	432,297	–	522,187	459,187	459,187	580,345	375,820	332,550
<i>Distribution Layers</i>	–	–	–	522,187	459,187	459,187	580,345	375,820	332,550
<i>Capital Spares</i>	333,876	432,297							
Community Assets	210,346	142,726	12,092	606,650	513,793	513,793	611,200	705,120	505,500
Community Facilities	169,036	109,257	11,342	530,150	434,853	434,853	480,700	573,300	357,000
<i>Halls</i>	50,000								
<i>Clinics/Care Centres</i>	19,483	24,886							
<i>Testing Stations</i>	–	–	–	97,000	61,196	61,196	69,000	136,000	39,000
<i>Museums</i>	31,936	27,950							
<i>Libraries</i>	4,365	23,835	–	17,300	4,984	4,984	4,500	3,000	–
<i>Cemeteries/Crematoria</i>		30,295							
<i>Police</i>	2,795	2,291	–	111,600	79,600	79,600	72,300	95,800	68,000
<i>Public Open Space</i>	60,456	–	6,223	215,950	223,480	223,480	195,300	113,500	126,000
<i>Nature Reserves</i>	–	–	5,119	61,300	61,911	61,911	80,600	128,500	114,000
<i>Taxi Ranks/Bus Terminals</i>	–	–	–	27,000	3,682	3,682	59,000	96,500	10,000
Sport and Recreation Facilities	41,311	33,469	750	76,500	78,940	78,940	130,500	131,820	148,500
<i>Indoor Facilities</i>	34,863	28,998	–	11,000	14,530	14,530	27,200	41,170	113,000
<i>Outdoor Facilities</i>	6,448	4,472	750	65,500	64,410	64,410	103,300	90,650	35,500
Investment properties	52,264	77,384	16,916	1,774,327	1,745,468	1,745,468	1,927,316	1,794,608	1,908,911
Revenue Generating	52,264	77,384	16,916	1,213,242	1,216,383	1,216,383	1,386,649	1,179,758	1,288,549
<i>Improved Property</i>	52,264	77,384	16,916	1,213,242	1,216,383	1,216,383	1,386,649	1,179,758	1,288,549
<i>Unimproved Property</i>									
Non-revenue Generating	–	–	–	561,085	529,085	529,085	540,668	614,851	620,362
<i>Unimproved Property</i>	–	–	–	561,085	529,085	529,085	540,668	614,851	620,362
Other assets	255,905	464,471	–	–	–	–	–	–	–
Operational Buildings	255,905	464,471	–	–	–	–	–	–	–
<i>Municipal Offices</i>	255,905	464,332							
Computer Equipment	–	–	21	–	–	–	–	–	–
Computer Equipment	–	–	21	–	–	–	–	–	–
Furniture and Office Equipment	59,685	81,742	93	–	–	–	–	–	–
Furniture and Office Equipment	59,685	81,742	93	–	–	–	–	–	–
Machinery and Equipment	33,300	62,030	–	125,287	101,298	101,298	143,719	130,828	72,357
Machinery and Equipment	33,300	62,030	–	125,287	101,298	101,298	143,719	130,828	72,357
Transport Assets	286,254	335,584	–	–	–	–	–	–	–
Transport Assets	286,254	335,584							
Total Capital Expenditure on renew	1,928,851	2,240,835	2,254,825	5,626,029	5,314,319	5,314,319	5,416,667	5,375,492	5,944,718

Table 83 MBRR SA34c - repairs and maintenance expenditure by asset class**EKU Ekurhuleni Metro - Supporting Table SA34c Repairs and maintenance expenditure by asset class**

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		1,167,721	1,739,371	1,747,514	1,960,068	1,999,457	2,013,275	2,183,788	2,384,164	2,602,513
Roads Infrastructure		262,839	587,575	590,014	651,068	741,918	748,771	692,412	729,802	769,212
Roads		262,839	587,575	572,952	631,395	719,476	725,098	671,461	707,719	745,936
Road Furniture		–	–	17,062	19,673	22,443	23,673	20,951	22,083	23,275
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		43,794	45,404	46,733	38,970	47,250	45,250	41,503	43,744	46,106
Drainage Collection		–	45,404	46,733	38,970	47,250	45,250	41,503	43,744	46,106
Storm water Conveyance		43,794	–	–	–	–	–	–	–	–
Electrical Infrastructure		584,083	571,233	572,281	747,101	721,245	730,492	892,503	992,043	1,103,732
Power Plants		529,860	–	–	–	–	–	–	–	–
HV Substations		54,222	27,655	27,091	46,713	42,711	44,934	50,135	53,473	57,074
HV Transmission Conductors		–	–	565	2,312	2,312	2,312	6,312	7,361	8,659
MV Substations		–	497,088	18,685	21,533	19,256	20,358	23,686	24,965	26,313
MV Networks		–	–	479,186	597,976	585,777	586,709	657,958	743,493	840,147
LV Networks		–	46,491	46,754	78,567	71,188	76,179	154,412	162,750	171,539
Water Supply Infrastructure		116,998	219,379	221,544	244,457	205,707	205,707	272,065	301,975	335,784
Bulk Mains		–	5,566	5,566	7,606	6,813	6,813	8,100	8,538	8,999
Distribution		116,998	213,813	215,979	236,851	198,894	198,894	263,964	293,437	326,785
Sanitation Infrastructure		107,918	266,193	267,353	220,190	228,747	230,696	223,234	251,177	278,724
Pump Station		–	–	114,057	73,673	87,573	88,186	78,461	82,698	87,164
Reticulation		107,918	266,193	57,779	48,280	42,936	44,272	51,418	54,195	57,121
Waste Water Treatment Works		–	–	95,517	98,238	98,238	98,238	93,355	114,284	134,438
Solid Waste Infrastructure		52,090	49,588	49,588	58,283	54,590	52,360	62,071	65,423	68,956
Landfill Sites		52,090	49,588	49,588	58,283	54,590	52,360	62,071	65,423	68,956
Community Assets		93,593	125	125	937	1,386	1,416	998	1,052	1,109
Community Facilities		87,924	125	125	937	1,386	1,416	998	1,052	1,109
Halls		5,110	–	–	–	–	–	–	–	–
Centres		1,604	–	–	–	–	–	–	–	–
Clinics/Care Centres		1,058	–	–	–	–	–	–	–	–
Fire/Ambulance Stations		16,871	–	–	–	–	–	–	–	–
Museums		832	–	–	–	–	–	–	–	–
Libraries		962	–	–	–	–	–	–	–	–
Cemeteries/Crematoria		10,905	–	–	–	–	–	–	–	–
Public Open Space		29,508	–	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals		21,077	125	125	937	1,386	1,416	998	1,052	1,109
Capital Spares		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		5,669	–	–	–	–	–	–	–	–
Indoor Facilities		740	–	–	–	–	–	–	–	–
Outdoor Facilities		4,836	–	–	–	–	–	–	–	–
Capital Spares		93	–	–	–	–	–	–	–	–
Heritage assets		132,252	–	–	–	–	–	–	–	–
Other Heritage		132,252	–	–	–	–	–	–	–	–
Investment properties		21,593	42,268	42,276	48,083	44,704	46,671	56,967	60,043	63,286
Revenue Generating		–	42,268	–	–	–	–	–	–	–
Improved Property		–	42,268	–	–	–	–	–	–	–
Non-revenue Generating		21,593	–	42,276	48,083	44,704	46,671	56,967	60,043	63,286
Improved Property		21,593	–	42,276	48,083	44,704	46,671	56,967	60,043	63,286
Other assets		25,375	145,284	145,646	193,459	82,170	72,170	341,012	360,523	381,395
Operational Buildings		–	145,284	145,646	193,459	82,170	72,170	341,012	360,523	381,395
Municipal Offices		–	145,284	145,646	193,459	82,170	72,170	341,012	360,523	381,395
Computer Equipment		89,085	30,422	4	4,172	4,172	4,172	4	4	4
Computer Equipment		89,085	30,422	4	4,172	4,172	4,172	4	4	4
Furniture and Office Equipment		21,368	–	30,454	30,792	31,304	31,764	262,884	277,076	292,035
Furniture and Office Equipment		21,368	–	30,454	30,792	31,304	31,764	262,884	277,076	292,035
Machinery and Equipment		–	4,326	4,338	4,471	4,332	4,332	4,744	5,096	5,436
Machinery and Equipment		–	4,326	4,338	4,471	4,332	4,332	4,744	5,096	5,436
Transport Assets		109,864	144,351	148,214	174,184	183,331	174,830	189,941	200,395	211,451
Transport Assets		109,864	144,351	148,214	174,184	183,331	174,830	189,941	200,395	211,451
Total Repairs and Maintenance Expenditure	1	1,660,851	2,106,148	2,118,570	2,416,166	2,350,856	2,348,630	3,040,337	3,288,354	3,557,227

Table 84 MBRR SA34e - Capital expenditure on the upgrading on the existing assets by asset class

EKU Ekurhuleni Metro - Supporting Table SA34e Consolidated capital expenditure on the upgrading of existing assets by asset class

Description R thousand	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class									
Infrastructure	–	–	3,811	–	–	–	–	–	–
Solid Waste Infrastructure	–	–	3,811	–	–	–	–	–	–
Landfill Sites	–	–	–	–	–	–	–	–	–
Waste Transfer Stations	–	–	3,811	–	–	–	–	–	–
Community Assets	–	–	7,096	52,557	49,950	49,950	512,250	518,998	228,921
Community Facilities	–	–	3,663	52,557	49,950	49,950	512,250	518,998	228,921
Halls	–	–	1,603	–	–	–	–	–	–
Centres	–	–	689	52,557	49,950	49,950	512,250	518,998	228,921
Libraries	–	–	413	–	–	–	–	–	–
Cemeteries/Crematoria	–	–	–	–	–	–	–	–	–
Police	–	–	959	–	–	–	–	–	–
Sport and Recreation Facilities	–	–	3,433	–	–	–	–	–	–
Indoor Facilities	–	–	–	–	–	–	–	–	–
Outdoor Facilities	–	–	3,433	–	–	–	–	–	–
Investment properties	–	–	314,490	–	–	–	–	–	–
Revenue Generating	–	–	314,490	–	–	–	–	–	–
Improved Property	–	–	80,169	–	–	–	–	–	–
Unimproved Property	–	–	234,321	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Other assets	–	–	1,752,498	383,686	246,388	246,388	342,731	272,078	180,000
Operational Buildings	–	–	1,684,582	381,186	243,888	243,888	342,731	272,078	180,000
Municipal Offices	–	–	1,684,582	381,186	243,888	243,888	342,731	272,078	180,000
Housing	–	–	67,916	2,500	2,500	2,500	–	–	–
Staff Housing	–	–	–	–	–	–	–	–	–
Social Housing	–	–	67,916	2,500	2,500	2,500	–	–	–
Total Capital Expenditure on upgrading of existing assets	–	–	2,077,895	436,243	296,337	296,337	854,981	791,076	408,921

Table 85 MBRR SA35 - future financial implications of the Capital Budget

EKU Ekurhuleni Metro - Supporting Table SA35 Future financial implications of the capital budget							
Vote Description	2018/19 Medium Term Revenue &			Forecasts			
	Budget Year +1 2019/20	Budget Year +2 2020/21	Budget Year +2 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Present value
R thousand							
Capital expenditure							
Vote 1 - Executive and Council	514,740	446,168	657,303	677,022	697,332	718,252	–
Vote 2 - Finance and Corporate Services	995,305	901,454	613,671	632,081	651,044	670,575	–
Vote 3 - Energy	706,850	745,150	836,000	861,080	886,912	913,520	–
Vote 4 - Water and Sanitation	1,016,200	1,101,000	1,232,710	1,269,691	1,307,782	1,347,016	–
Vote 5 - Waste Management	128,000	190,500	294,900	303,747	312,859	322,245	–
Vote 6 - Human Settlements	1,637,410	1,377,118	1,398,606	1,440,564	1,483,781	1,528,295	–
Vote 7 - City Planning	600	600	600	618	637	656	–
Vote 8 - Economic Development	193,300	183,000	164,000	168,920	173,988	179,207	–
Vote 9 - Disaster and Emergency Management Services	160,300	167,000	124,300	128,029	131,870	135,826	–
Vote 10 - Sports, Recreation, Arts & Culture (SRAC)	119,120	124,447	165,627	170,596	175,714	180,985	–
Vote 11 - Health and Social Development	13,950	20,200	17,900	18,437	18,990	19,560	–
Vote 12 - Environmental Resource Management	304,600	274,000	216,500	222,995	229,685	236,575	–
Vote 13 - Ekurhuleni Metropolitan Police Department (EMPD)	22,800	11,800	148,000	152,440	157,013	161,724	–
Vote 14 - Transport Planning & Provisioning	911,262	962,328	672,138	692,302	713,072	734,464	–
Vote 15 - Roads and Stormwater	580,770	693,110	670,600	690,718	711,440	732,783	–
<i>List entity summary if applicable</i>							
Total Capital Expenditure	7,305,207	7,197,874	7,212,855	7,429,241	7,652,118	7,881,682	–

2.13 Detailed Capital Budget per municipal vote-

Detail expenditure per municipal vote has been attached as **Annexure F** as part of the MTREF budget document. The documents is in alignment with the municipal Budget and reporting regulations Table SA 36.

Table 86 MBRR SA37 - Projects delayed from previous financial year

EKU Ekurhuleni Metro - Supporting Table SA37 Projects delayed from previous financial year/s

Municipal Vote/Capital project		Current Year		2017/18 Medium Term		
		Original Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	Project name					
	<i>Disaster & Emergency Management Services</i>					
	<i>3 x Mobile be SAFE Units(Operational Equipment)</i>	3,400	–	3,600	4,000	–
Disaster & Emergency Management Services	<i>Katlehong Fire Station</i>	12,000	–	2,000	7,000	18,000
	<i>Fleet Management</i>					
	<i>ICT Equipment(Operational Equipment)</i>	70	–	150	150	320
	<i>Civic Centre Clinic Germiston</i>	500	–	1,750	5,000	12,000
	<i>Food Bank & Daycare Centre for Mental Patients</i>	500	–	500	5,000	10,000
	<i>GENERATORS AT HEALTH FACILITIES(Operational Equipment)</i>	3,000	–	500	1,000	1,000
	<i>Specialised vehicles(MORE THAN 2 SEATS)(Operational Equipment)</i>	1,500	–	3,600	1,500	3,000
	<i>Bdfv & Edvl, Geometric Impr., Van Buuren / Hawley</i>	250	–	1,500	1,500	–
	<i>Construction of K86</i>	1,500	–	500	1,000	2,000
	<i>N3, Constr. pedestrian bridge Mapleton to Vosloorus</i>	10,000	–	3,000	500	5,000
	<i>Reconstruct Rds (E): Carnation Rd</i>	2,000	–	500	2,000	–
	<i>Tertiary Rds: (N) Pieter Mokaba, Maluleke, Ndlovu</i>	1,000	–	500	–	500
	<i>Upgrading of Michelle Avenue</i>	5,000	–	300	5,000	8,000
	<i>Drive Thru Edenvale</i>	1,000	–	4,000	–	–
	<i>Drive Thru Tembisa</i>	1,000	–	4,000	–	–
	<i>taxi rank - Katlehong ward 63</i>	2,000	–	5,000	7,000	2,000
	<i>taxi rank - Windmill Park</i>	2,000	–	4,000	7,000	3,000
	<i>Bedfordview Bulk Water</i>	500	–	4,000	1,000	1,000

2.14 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

2.14.1 in- year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the City's website.

2.14.2 Internship programme

The City's has been participating actively since 2008 in the Municipal Financial Management Internship Programme. Nine (9) Municipal Financial Management Interns were employed by the City for 2019/20 financial year. The aim of the programme is mainly youth and skills development by providing graduates an opportunity to gain meaningful workplace experience and to allow them to harness the skill, knowledge and theoretical practice they studied in tertiary. The experience is gained through rotation to the various divisions in the Finance Department and also been trained on the Municipal Financial Management Programme (MFMP) to assist them in future career development. The programme ideally contributes significantly to the City's ability to attract and retain Finance and Accounting professionals.

2.14.3 Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

2.14.4 Audit Committee

An Audit Committee has been established and is fully functional.

2.14.5 Service Delivery and Implementation Plan

Council compiled a detailed SDBIP document in 2020/21 MTREF. The detailed SDBIP is reflected in MBRR Schedule SA7 of the report.

2.14.6 Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

2.14.7 MFMA Training

The MFMA training module in electronic format is presented at the metro's internal centre and training is ongoing.

2.14.8 Policies

An amendment of the Municipal Property Rates Regulations as published in government Notice 363 of 27 March 2009, was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the regulations have been complied with.

2.15 Other supporting documents**Table 87 MBRR Table SA1 - Supporting detail to budgeted financial performance**

EKU Ekurhuleni Metro - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
REVENUE ITEMS:										
Property rates										
Total Property Rates	4,685,093	3,990,437	6,189,239	6,599,827	6,670,839	6,670,839	6,670,839	7,246,289	7,862,224	8,648,446
<i>less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i>	738,434		989,174	984,162	1,038,551	1,038,551	1,038,551	1,105,811	1,199,805	1,319,786
Net Property Rates	3,946,659	3,990,437	5,200,065	5,615,665	5,632,288	5,632,288	5,632,288	6,140,478	6,662,419	7,328,661
Service charges - electricity revenue										
Total Service charges - electricity revenue	13,138,753	14,547,419	14,679,621	15,692,889	15,828,843	15,828,843	15,828,843	17,749,570	20,000,337	22,655,249
<i>less Revenue Foregone (in excess of 50 kwh per indigent household per month)</i>	254,226	311,575	362,134	364,748	364,748	364,748	364,748	408,565	463,048	524,010
<i>less Cost of Free Basis Services (50 kwh per indigent household per month)</i>	1,058,228	1,332,126	1,424,305	1,595,189	1,595,189	1,595,189	1,595,189	1,787,588	1,973,431	2,296,205
Net Service charges - electricity revenue	11,826,299	12,903,718	12,893,182	13,732,952	13,868,905	13,868,905	13,868,905	15,553,417	17,563,857	19,835,034
Service charges - water revenue										
Total Service charges - water revenue	4,035,331	4,408,797	4,107,444	4,928,243	4,928,243	4,928,243	4,928,243	5,782,607	6,716,909	7,781,034
<i>less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)</i>	418,454	446,975	461,745	324,201	324,201	324,201	324,201	368,615	442,763	529,108
<i>less Cost of Free Basis Services (6 kilolitres per indigent household per month)</i>	399,710	566,241	493,478	484,506	484,506	484,506	484,506	543,884	612,260	676,192
Net Service charges - water revenue	3,217,167	3,395,581	3,152,220	4,119,535	4,119,535	4,119,535	4,119,535	4,870,108	5,661,886	6,575,733
Service charges - sanitation revenue										
Total Service charges - sanitation revenue	1,592,236	1,650,182	1,828,521	2,148,168	2,148,168	1,041,447	1,041,447	2,390,264	2,676,916	2,984,301
<i>less Revenue Foregone (in excess of free sanitation service to indigent households)</i>	303,013	319,903	337,307	231,994	231,994			254,533	295,398	341,019
<i>less Cost of Free Basis Services (free sanitation service to indigent households)</i>	234,555	220,607	322,943	321,366	321,366			364,361	415,388	460,974
Net Service charges - sanitation revenue	1,054,668	1,109,672	1,168,271	1,594,808	1,594,808	1,041,447	1,041,447	1,771,371	1,966,130	2,182,308
Service charges - refuse revenue										
Total refuse removal revenue	1,175,509	1,530,096	1,459,856	1,629,968	1,629,968	1,629,968	1,629,968	1,848,414	2,018,384	2,178,160
Total landfill revenue										
<i>less Cost of Free Basis Services (removed once a week to indigent households)</i>	214,061	256,567	269,577	291,072	291,072	291,072	291,072	315,070	354,773	373,212
Net Service charges - refuse revenue	961,447	1,273,529	1,190,279	1,338,897	1,338,897	1,338,897	1,338,897	1,533,344	1,663,611	1,804,947
Other Revenue by source										
Fuel Levy	–	–								
Sale Of Goods & Services	–	63,900	590,501	–	–	–	–	–	–	–
Sale Of Goods & Services	–	–	1,347,340	1,326,300	1,640,697	1,640,697	1,640,697	1,415,287	1,604,399	1,833,944
Other Revenue	70,873	281,689	2	–	–	–	–	–	–	–
Other Revenue	160,717	–	1,718,586	24,281	24,383	24,383	24,383	25,515	26,893	28,345
Total 'Other' Revenue	231,590	345,588	3,656,429	1,350,581	1,665,080	1,665,080	1,665,080	1,440,802	1,631,292	1,862,289

City of Ekurhuleni – 2020/21-2022/23 Draft Medium Term Revenue and Expenditure Framework

EKU Ekurhuleni Metro - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
EXPENDITURE ITEMS:										
Employee related costs										
Basic Salaries and Wages	3,997,824	3,901,259	4,653,344	6,543,761	5,912,288	6,496,063	6,496,063	6,018,486	6,494,159	7,036,592
Pension and UIF Contributions	718,555	870,157	914,600	1,085,467	1,024,192	1,083,435	1,083,435	1,180,741	1,275,158	1,377,073
Medical Aid Contributions	668,413	321,625	365,451	484,898	483,257	483,257	483,257	518,565	560,072	604,913
Overtime	638,657	734,664	825,037	237,375	262,132	237,375	237,375	465,297	505,038	548,714
Performance Bonus	—	—	346,643	12,028	456,150	11,904	11,904	449,937	487,972	529,687
Motor Vehicle Allowance	208,394	222,265	237,329	278,135	277,407	277,407	277,407	285,931	309,472	335,098
Cellphone Allowance	17,384	18,797	24,035	22,918	22,843	22,843	22,843	41,984	45,721	49,760
Housing Allowances	57,074	56,173	58,421	85,856	85,856	85,856	85,856	65,164	70,636	76,613
Other benefits and allowances	—	—	(306,854)	—	174,015	—	—	227,719	251,834	279,664
Payments in lieu of leave	105,370	120,245	162,657	25,831	25,825	25,825	25,825	287,269	311,824	338,822
Long service awards	(5,541)	(45,339)	65,571	9,604	9,604	9,604	9,604	10,333	11,274	12,324
Post-retirement benefit obligations	—	—	93,850	99,156	99,156	99,156	99,156	99,566	107,742	116,635
sub-total	6,406,130	6,199,845	7,440,085	8,885,030	8,832,725	8,832,725	8,832,725	9,650,992	10,430,901	11,305,896
Less: Employees costs capitalised to PPE	67,709	27,427	22,638	176,696	176,696	176,696	176,696	22,638	24,449	26,405
Total Employee related costs	6,338,421	6,172,418	7,417,447	8,708,334	8,656,028	8,656,028	8,656,028	9,628,355	10,406,452	11,279,491
Contributions recognised - capital										
Transfers And Subsidies - Capital (Moneta)	—	—	—	71,500	71,220	71,220	71,220	160,040	181,000	85,000
Total Contributions recognised - capital	—	—	—	71,500	71,220	71,220	71,220	160,040	181,000	85,000
Depreciation & asset impairment										
Depreciation of Property, Plant & Equipm	1,696,675	2,115,285	2,295,001	2,374,971	2,274,971	2,274,971	2,274,971	2,193,052	2,311,424	2,437,998
Lease amortisation	447,396	—	183,456	10,369	10,369	10,369	10,369	8,856	9,299	9,765
Total Depreciation & asset impairment	2,144,071	2,115,285	2,478,458	2,385,339	2,285,339	2,285,339	2,285,339	2,201,909	2,320,723	2,447,763
Bulk purchases										
Electricity Bulk Purchases	8,560,732	9,253,233	9,310,647	10,028,837	10,129,126	10,129,126	10,129,126	11,735,606	13,495,947	15,520,339
Water Bulk Purchases	3,101,424	3,149,278	2,934,764	3,450,508	3,450,508	3,450,508	3,450,508	3,968,084	4,563,296	5,247,791
Total bulk purchases	11,662,156	12,402,511	12,245,412	13,479,345	13,579,633	13,579,633	13,579,633	15,703,690	18,059,243	20,768,130
Transfers and grants										
Cash transfers and grants	568,811	617,138	972,951	897,027	1,089,027	1,089,027	1,089,027	675,033	720,437	650,228
Non-cash transfers and grants	527,666	589,492	—	—	—	—	—	—	—	—
Total transfers and grants	1,096,477	1,206,630	972,951	897,027	1,089,027	1,089,027	1,089,027	675,033	720,437	650,228
Contracted services										
Contractors	856,564	1,061,354	1,413,133	1,616,787	1,708,694	1,788,482	1,788,482	1,604,578	1,707,645	1,987,277
Outsourced Services	—	—	2,035,381	2,170,472	2,250,594	2,267,089	2,267,089	2,406,817	2,590,759	2,791,823
Consultants & Professionals	—	—	474,310	292,954	448,375	454,695	454,695	349,714	355,409	362,430
sub-total	856,564	1,061,354	3,922,824	4,080,213	4,407,663	4,510,266	4,510,266	4,361,109	4,653,814	5,141,530
Total contracted services	856,564	1,061,354	3,922,824	4,080,213	4,407,663	4,510,266	4,510,266	4,361,109	4,653,814	5,141,530
Other Expenditure By Type										
Collection costs	116,163	145,194	—	—	—	—	—	—	—	—
Contributions to 'other' provisions	—	—	—	—	—	—	—	—	—	—
Consultant fees	131,949	164,563	—	—	—	—	—	—	—	—
Audit fees	20,932	18,204	—	—	—	—	—	—	—	—
General expenses	313,722	340,696	1,151,428	1,148,730	1,233,705	1,222,425	1,222,425	1,242,802	1,328,131	1,416,903
Rental of Equipment	255	163	—	—	—	—	—	—	—	—
Vehicle - Fuel	136,138	143,716	—	—	—	—	—	—	—	—
Service Connections	57,722	49,317	—	—	—	—	—	—	—	—
Special Events	106,662	104,792	—	—	—	—	—	—	—	—
Telephone	58,331	16,470	—	—	—	—	—	—	—	—
License Software	44,926	61,643	—	—	—	—	—	—	—	—
Printing & Stationery	51,391	45,716	—	—	—	—	—	—	—	—
Insurance Premium	24,321	34,265	—	—	—	—	—	—	—	—
Training Claimable	11,417	17,377	—	—	—	—	—	—	—	—
Refuse Bins Bags & Containers	61,353	47,509	—	—	—	—	—	—	—	—
Land Invasion Relocation	4,781	13,654	—	—	—	—	—	—	—	—
Community Development Projects	23,818	75,949	—	—	—	—	—	—	—	—
Uniforms & Protective Clothing	56,698	59,134	—	—	—	—	—	—	—	—
Hire of Vehicles	22,812	421	—	—	—	—	—	—	—	—
Postage	24,870	28,511	—	—	—	—	—	—	—	—
Rental of Buildings & Facilities	16,509	21,369	—	—	—	—	—	—	—	—
Community Based Programmes	84,625	56,685	—	—	—	—	—	—	—	—
General Consumables	34,374	27,143	—	—	—	—	—	—	—	—
Software Development	8,602	4,811	—	—	—	—	—	—	—	—
Membership Fees	15,081	14,487	—	—	—	—	—	—	—	—
Network Extensions	8,938	64,633	—	—	—	—	—	—	—	—
Operational Grants and Internal Charges	93,526	207,399	—	—	—	—	—	—	—	—
Total 'Other' Expenditure	1,529,914	1,763,820	1,151,428	1,148,730	1,233,705	1,222,425	1,222,425	1,242,802	1,328,131	1,416,903

Table 89 MBRR Table SA3 – Supporting detail to Statement of Financial Position)

EKU Ekurhuleni Metro - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
ASSETS										
Call investment deposits										
Call deposits	155,535	125,036	555,526	20,458	20,458	20,458	20,458	993,594	978,594	978,594
Other current investments										
Total Call investment deposits	155,535	125,036	555,526	20,458	20,458	20,458	20,458	993,594	978,594	978,594
Consumer debtors										
Consumer debtors	13,222,638	15,160,352	16,833,618	13,886,396	13,886,396	13,886,396	13,886,396	16,782,810	18,176,520	19,756,256
Less: Provision for debt impairment	(7,966,251)	(10,456,750)	(11,347,187)	(10,384,281)	(10,384,281)	(10,384,281)	(10,384,281)	(12,294,084)	(14,030,909)	(15,940,712)
Total Consumer debtors	5,256,387	4,703,602	5,486,431	3,502,115	3,502,115	3,502,115	3,502,115	4,488,726	4,145,611	3,815,544
Debt impairment provision										
Balance at the beginning of the year	(9,144,329)	(7,966,251)	(10,456,750)	(9,111,628)	(9,111,628)	(9,111,628)	(9,111,628)	(10,714,438)	(12,294,083)	(14,030,909)
Contributions to the provision	(1,447,472)	(3,148,640)	(1,490,000)	(1,005,125)	(1,005,125)	(1,005,125)	(1,005,125)	(1,579,646)	(1,736,826)	(1,909,803)
Bad debts written off	2,625,549	658,141	599,563	(267,528)	(267,528)	(267,528)	(267,528)	—	—	—
Balance at end of year	(7,966,251)	(10,456,750)	(11,347,187)	(10,384,281)	(10,384,281)	(10,384,281)	(10,384,281)	(12,294,084)	(14,030,909)	(15,940,712)
Property, plant and equipment (PPE)										
PPE at cost/valuation (excl. finance leases)	64,566,462	68,491,333	74,396,095	63,536,300	63,405,527	63,405,527	63,405,527	76,155,634	83,561,960	90,480,264
Leases recognised as PPE	—	—	—	16,410	16,410	16,410	16,410	—	—	—
Less: Accumulated depreciation	15,737,760	17,732,225	20,064,044	3,580,715	3,580,715	3,580,715	3,580,715	15,762,870	17,759,201	20,369,527
Total Property, plant and equipment (PPE)	48,828,702	50,759,107	54,332,051	59,971,995	59,841,222	59,841,222	59,841,222	60,392,764	65,802,759	70,110,737
LIABILITIES										
Current liabilities - Borrowing										
Short term loans (other than bank overdraft)	—	—	—	—	—	—	—	—	—	—
Current portion of long-term liabilities	419,128	457,961	558,974	—	—	—	54,279	973,974	958,974	958,974
Total Current liabilities - Borrowing	419,128	457,961	558,974	—	—	—	54,279	973,974	958,974	958,974
Trade and other payables										
Trade Payables	6,668,240	6,371,518	7,318,321	9,577,254	9,577,254	9,577,254	9,577,254	7,755,697	8,143,482	8,550,656
Other creditors	351	19,259	37,207	—	—	—	—	—	—	—
Unspent conditional transfers	445,923	126,092	597,883	—	—	—	—	—	—	—
Total Trade and other payables	7,114,514	6,516,869	7,953,411	9,577,254	9,577,254	9,577,254	9,577,254	7,755,697	8,143,482	8,550,656
Non current liabilities - Borrowing										
Borrowing	5,649,247	5,219,102	5,994,950	13,525,284	13,525,284	13,525,284	13,525,284	8,246,604	11,963,258	15,230,634
Finance leases (including PPP asset element)	597	358	119	—	—	—	—	—	—	—
Total Non current liabilities - Borrowing	5,649,844	5,219,460	5,995,069	13,525,284	13,525,284	13,525,284	13,525,284	8,246,604	11,963,258	15,230,634
Provisions - non-current										
Retirement benefits	2,556,639	2,236,655	1,985,202	—	—	—	—	1,954,000	2,051,700	2,154,285
Other	946,711	765,760	846,307	—	—	—	—	—	—	—
Other	1,961	32,614	47,824	111,803	111,803	111,803	111,803	874,000	900,220	927,227
Total Provisions - non-current	3,505,311	3,035,029	2,879,333	111,803	111,803	111,803	111,803	2,828,000	2,951,920	3,081,512
CHANGES IN NET ASSETS										
Accumulated Surplus/(Deficit)										
Accumulated Surplus/(Deficit) - opening balance	47,770,080	47,806,200	48,818,760	48,881,320	50,145,748	48,184,975	49,210,776	53,365,629	55,887,144	58,645,900
GRAP adjustments	77,270	—	—	—	—	—	—	—	—	—
Restated balance	47,847,350	47,806,200	48,818,760	48,881,320	50,145,748	48,184,975	49,210,776	53,365,629	55,887,144	58,645,900
Surplus/(Deficit)	1,971,411	1,251,969	1,616,070	2,260,329	2,458,725	1,960,773	1,960,773	2,797,968	2,839,955	2,896,247
Appropriations to Reserves	—	—	—	—	—	—	—	—	—	—
Transfers from Reserves	—	—	—	1,643,934	—	2,458,725	2,458,725	—	—	—
Other adjustments	(2,049,449)	90,038	330,611	—	—	—	128	—	—	—
Accumulated Surplus/(Deficit)	47,769,312	49,148,208	50,765,440	52,785,584	52,604,473	52,604,473	53,630,402	56,163,597	58,727,099	61,542,147
TOTAL COMMUNITY WEALTH/EQUITY	47,769,312	49,148,208	50,765,440	52,785,584	52,604,473	52,604,473	53,630,403	56,163,597	58,727,099	61,542,147

Table 90 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

EKU Ekurhuleni Metro - Supporting Table SA9 Social, economic and demographic statistics and assumptions												
Description of economic indicator	Ref	Basis of calculation	2001 Census	2007 Survey	2011 Census	2015/16	2016/17	2017/18	Current Year	2019/20 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population			2,480	2,724	3,178	3,485	3,603	3,712	3,823	3,823	3,823	3,823
Females aged 5 - 14			200	220	225	247	255	263	271	271	271	271
Males aged 5 - 14			196	213	230	252	261	268	276	276	276	276
Females aged 15 - 34			489	502	640	702	726	748	770	770	770	770
Males aged 15 - 34			532	536	711	780	807	831	856	856	856	856
Unemployment			332	434	456	500	517	532	548	548	548	548
Monthly household income (no. of households)	1, 12											
No income			1,266	1,304	1,343	1,474	1,524	1,570	1,617	1,617	1,617	1,617
R1 - R1 600			615	633	652	715	739	761	784	784	784	784
R1 601 - R3 200			242	250	257	282	292	301	310	310	310	310
R3 201 - R6 400			204	210	216	238	246	253	261	261	261	261
R6 401 - R12 800			163	168	173	190	196	202	208	208	208	208
R12 801 - R25 600			123	127	131	144	149	153	158	158	158	158
R25 601 - R51 200			52	53	55	607	628	647	666	666	666	666
R52 201 - R102 400			15	16	16	33	34	35	36	36	36	36
R102 401 - R204 800			5	5	5	6	6	6	6	6	6	6
R204 801 - R409 600			4	4	4	4	4	4	4	4	4	4
R409 601 - R819 200			–	–	–	–	–	–	–	–	–	–
> R819 200			–	–	–	–	–	–	–	–	–	–
Poverty profiles (no. of households)												
< R2 060 per household per month	13		502	517	533	603.00	623.00	641.00	661.00	661.00	661.00	661.00
Insert description	2											
Household/demographics (000)												
Number of people in municipal area			2,996	3,085	3,178	3,486	3,605	3,713	3,713	3,713	3,713	3,713
Number of poor people in municipal area												
Number of households in municipal area			957	985	1,015	1,114	1,152	1,186	1,186	1,186	1,186	1,186
Number of poor households in municipal area			502	517	533	603	623	642	642	642	642	642
Definition of poor household (R per month)			<=R2300 P/M	<=R2300 P/M	<=R2300 P/M	<=2524 P/	<=2840P/	<=3124P/	<=3436P/	<=3436P/	<=3436P/	<=3436P/M
Housing statistics	3											
Formal			731	754	777	853	882	908	936	936	936	936
Informal			224	231	238	261	270	278	286	286	286	286
Total number of households			955	985	1,015	1,114	1,152	1,186	1,222	1,222	1,222	1,222
Dwellings provided by municipality	4											
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings			-	-	-	-	-	-	-	-	-	-

City of Ekurhuleni – 2020/21-2022/23 Draft Medium Term Revenue and Expenditure Framework

	2015/16	118 10/17	112 1/18	Current Year 2018/19			2019/20 Medium Term Revenue &		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Household service targets (000)									
Water:									
Piped water inside dwelling	508,458.00	509,658.00	510,858.00	512,058.00	512,058.00	512,058.00	532,258.00	545,458.00	550,458.00
Piped water inside yard (but not in dwell	381,762.00	381,762.00	381,762.00	381,762.00	381,762.00	381,762.00	381,762.00	381,762.00	381,762.00
Using public tap (at least min.service lev	119,217.00	119,317.00	119,417.00	119,417.00	119,417.00	119,417.00	119,517.00	119,617.00	119,717.00
Other water supply (at least min.service	2,211.01	2,211.01	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	1,011,648.01	1,012,948.01	1,012,037.00	1,013,237.00	1,013,237.00	1,013,237.00	1,033,537.00	1,046,837.00	1,051,937.00
Using public tap (< min.service level)	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	11,311.00	11,311.00	11,311.00	11,311.00	11,311.00	11,311.00	11,311.00	11,311.00	11,311.00
No water supply	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	11,311.00	11,311.00	11,311.00	11,311.00	11,311.00	11,311.00	11,311.00	11,311.00	11,311.00
Total number of households	1,022,959.01	1,024,259.01	1,023,348.00	1,024,548.00	1,024,548.00	1,024,548.00	1,044,848.00	1,058,148.00	1,063,248.00
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	509,658.00	510,858.00	512,058.00	513,258.00	513,258.00	513,258.00	513,258.00	513,258.00	513,258.00
Flush toilet (with septic tank)	3,429.28	3,429.28	3,429.28	3,429.28	3,429.28	3,429.28	3,429.00	3,429.00	3,429.00
Chemical toilet	217,245.00	217,245.00	217,245.00	237,245.00	237,245.00	237,245.00	237,245.00	237,245.00	237,245.00
Pit toilet (ventilated)	80,613.00	80,613.00	80,613.00	80,613.00	80,613.00	80,613.00	80,613.00	80,613.00	80,613.00
Other toilet provisions (> min.service lev	179,824.00	179,824.00	179,824.00	179,824.00	179,824.00	179,824.00	179,824.00	179,824.00	179,824.00
<i>Minimum Service Level and Above sub-total</i>	990,769.28	991,969.28	993,169.28	1,014,369.28	1,014,369.28	1,014,369.28	1,014,369.00	1,014,369.00	1,014,369.00
Bucket toilet	-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service lev	23,594.00	23,594.00	23,594.00	23,594.00	23,594.00	23,594.00	23,594.00	23,594.00	23,594.00
No toilet provisions	11,806.00	11,806.00	11,806.00	11,806.00	11,806.00	11,806.00	11,806.00	11,806.00	11,806.00
<i>Below Minimum Service Level sub-total</i>	35,400.00	35,400.00	35,400.00	35,400.00	35,400.00	35,400.00	35,400.00	35,400.00	35,400.00
Total number of households	1,026,169.28	1,027,369.28	1,028,569.28	1,049,769.28	1,049,769.28	1,049,769.28	1,049,769.00	1,049,769.00	1,049,769.00
Energy:									
Electricity (at least min.service level)	150,000.00	150,000.00	150,000.00	109,462.00	109,462.00	109,462.00	86,400.00	77,760.00	69,984.00
Electricity - prepaid (min.service level)	394,101.00	398,042.00	454,007.11	466,497.00	466,497.00	466,497.00	496,529.52	505,245.41	515,350.31
<i>Minimum Service Level and Above sub-total</i>	544,101.00	548,042.00	604,007.11	575,959.00	575,959.00	575,959.00	582,929.52	583,005.41	585,334.31
Electricity (< min.service level)	-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-
Other energy sources	27,000.00	27,000.00	27,000.00	10,000.00	10,000.00	10,000.00	5,000.00	5,000.00	5,000.00
<i>Below Minimum Service Level sub-total</i>	27,000.00	27,000.00	27,000.00	10,000.00	10,000.00	10,000.00	5,000.00	5,000.00	5,000.00
Total number of households	571,101.00	575,042.00	631,007.11	585,959.00	585,959.00	585,959.00	587,929.52	588,005.41	590,334.31
Refuse:									
Removed at least once a week	652,498.00	668,158.00	681,000.00	699,477.00	699,477.00	699,477.00	881,072.00	879,473.00	914,652.00
<i>Minimum Service Level and Above sub-total</i>	652,498.00	668,158.00	681,000.00	699,477.00	699,477.00	699,477.00	881,072.00	879,473.00	914,652.00
Removed less frequently than once a we	-	-	-	-	-	-	-	-	-
Using communal refuse dump	164,699.00	164,699.00	164,399.00	164,718.00	164,718.00	164,718.00	-	-	-
Using own refuse dump	-	-	-	-	-	-	-	-	-
Other rubbish disposal	-	-	-	-	-	-	-	-	-
No rubbish disposal	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	164,699.00	164,699.00	164,399.00	164,718.00	164,718.00	164,718.00	-	-	-
Total number of households	817,197.00	832,857.00	845,399.00	864,195.00	864,195.00	864,195.00	881,072.00	879,473.00	914,652.00

City of Ekurhuleni – 2020/21-2022/23 Draft Medium Term Revenue and Expenditure Framework

	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue &		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Household service targets (000)									
<u>Water:</u>									
Piped water inside dwelling	508,458.00	509,658.00	510,858.00	512,058.00	512,058.00	512,058.00	532,258.00	545,458.00	550,458.00
Piped water inside yard (but not in dwell	381,762.00	381,762.00	381,762.00	381,762.00	381,762.00	381,762.00	381,762.00	381,762.00	381,762.00
Using public tap (at least min.service lev	119,217.00	119,317.00	119,417.00	119,417.00	119,417.00	119,417.00	119,517.00	119,617.00	119,717.00
Other water supply (at least min.service	2,211.01	2,211.01							
<i>Minimum Service Level and Above sub-total</i>	1,011,648.01	1,012,948.01	1,012,037.00	1,013,237.00	1,013,237.00	1,013,237.00	1,033,537.00	1,046,837.00	1,051,937.00
Using public tap (< min.service level)	-	-	-						
Other water supply (< min.service level)	11,311.00	11,311.00	11,311.00	11,311.00	11,311.00	11,311.00	11,311.00	11,311.00	11,311.00
No water supply	-	-	-						
<i>Below Minimum Service Level sub-total</i>	11,311.00	11,311.00	11,311.00	11,311.00	11,311.00	11,311.00	11,311.00	11,311.00	11,311.00
Total number of households	1,022,959.01	1,024,259.01	1,023,348.00	1,024,548.00	1,024,548.00	1,024,548.00	1,044,848.00	1,058,148.00	1,063,248.00
<u>Sanitation/sewerage:</u>									
Flush toilet (connected to sewerage)	509,658.00	510,858.00	512,058.00	513,258.00	513,258.00	513,258.00	513,258.00	513,258.00	513,258.00
Flush toilet (with septic tank)	3,429.28	3,429.28	3,429.28	3,429.28	3,429.28	3,429.28	3,429.28	3,429.28	3,429.28
Chemical toilet	217,245.00	217,245.00	217,245.00	237,245.00	237,245.00	237,245.00	237,245.00	237,245.00	237,245.00
Pit toilet (ventilated)	80,613.00	80,613.00	80,613.00	80,613.00	80,613.00	80,613.00	80,613.00	80,613.00	80,613.00
Other toilet provisions (> min.service lev	179,824.00	179,824.00	179,824.00	179,824.00	179,824.00	179,824.00	179,824.00	179,824.00	179,824.00
<i>Minimum Service Level and Above sub-total</i>	990,769.28	991,969.28	993,169.28	1,014,369.28	1,014,369.28	1,014,369.28	1,014,369.00	1,014,369.00	1,014,369.00
Bucket toilet	-	-	-						
Other toilet provisions (< min.service lev	23,594.00	23,594.00	23,594.00	23,594.00	23,594.00	23,594.00	23,594.00	23,594.00	23,594.00
No toilet provisions	11,806.00	11,806.00	11,806.00	11,806.00	11,806.00	11,806.00	11,806.00	11,806.00	11,806.00
<i>Below Minimum Service Level sub-total</i>	35,400.00	35,400.00	35,400.00	35,400.00	35,400.00	35,400.00	35,400.00	35,400.00	35,400.00
Total number of households	1,026,169.28	1,027,369.28	1,028,569.28	1,049,769.28	1,049,769.28	1,049,769.28	1,049,769.00	1,049,769.00	1,049,769.00
<u>Energy:</u>									
Electricity (at least min.service level)	150,000.00	150,000.00	150,000.00	109,462.00	109,462.00	109,462.00	86,400.00	77,760.00	69,984.00
Electricity - prepaid (min.service level)	394,101.00	398,042.00	454,007.11	466,497.00	466,497.00	466,497.00	496,529.52	505,245.41	515,350.31
<i>Minimum Service Level and Above sub-total</i>	544,101.00	548,042.00	604,007.11	575,959.00	575,959.00	575,959.00	582,929.52	583,005.41	585,334.31
Electricity (< min.service level)	-	-	-						
Electricity - prepaid (< min. service level)	-	-	-						
Other energy sources	27,000.00	27,000.00	27,000.00	10,000.00	10,000.00	10,000.00	5,000.00	5,000.00	5,000.00
<i>Below Minimum Service Level sub-total</i>	27,000.00	27,000.00	27,000.00	10,000.00	10,000.00	10,000.00	5,000.00	5,000.00	5,000.00
Total number of households	571,101.00	575,042.00	631,007.11	585,959.00	585,959.00	585,959.00	587,929.52	588,005.41	590,334.31
<u>Refuse:</u>									
Removed at least once a week	652,498.00	668,158.00	681,000.00	699,477.00	699,477.00	699,477.00	881,072.00	879,473.00	914,652.00
<i>Minimum Service Level and Above sub-total</i>	652,498.00	668,158.00	681,000.00	699,477.00	699,477.00	699,477.00	881,072.00	879,473.00	914,652.00
Removed less frequently than once a we	-	-	-						
Using communal refuse dump	164,699.00	164,699.00	164,399.00	164,718.00	164,718.00	164,718.00	-	-	-
Using own refuse dump	-	-	-						
Other rubbish disposal	-	-	-						
No rubbish disposal	-	-	-						
<i>Below Minimum Service Level sub-total</i>	164,699.00	164,699.00	164,399.00	164,718.00	164,718.00	164,718.00	-	-	-
Total number of households	817,197.00	832,857.00	845,399.00	864,195.00	864,195.00	864,195.00	881,072.00	879,473.00	914,652.00

Detail of Free Basic Services (FBS) provided						2019/20 Medium Term Revenue & Expenditure Framework			
Electricity	2015/16	2016/17	2017/18	Current Year 2018/19		Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	
				Outcome	Adjusted Budget				Full Year Forecast
List type of FBS service	Location of households for each type of FBS								
	Formal settlements - (50 kwh per indigent household per month (Rands)								
	1,058,227,717	1,332,125,945	1,424,304,621	1,595,189,371	1,595,189,371	1,787,587,905	1,973,431,417	2,295,204,559	
	Number of HH receiving this type of FBS								
	336,100	368,288	371,971	356,133	356,133	363,256	370,521	374,226	
List type of FBS service	Informal settlements (Rands)								
	-	-	-	-	20,014,200	28,019,880	35,024,850	42,029,820	
	Number of HH receiving this type of FBS								
	-	-	-	-	15,000	20,000	25,000	30,000	
	-	-	-	-	20,014,200	28,019,880	35,024,850	42,029,820	
List type of FBS service	Location of households for each type of FBS								
	Formal settlements - (6 kilolitre per indigent household per month (Rands)								
	399,709,667	566,240,780	489,478,286	474,900,836	474,900,836	549,884,173	612,259,830	676,192,052	
	Number of HH receiving this type of FBS								
	461,311	465,924	472,913	336,026	336,026	365,596	397,769	432,772	
List type of FBS service	Informal settlements (Rands)								
	28,638,624	28,638,624	31,502,486	34,652,735	34,652,735	36,385,372	38,204,640	40,114,872	
	Number of HH receiving this type of FBS								
	119,217	119,217	131,139	144,253	144,253	151,465	159,038	166,990	
	28,638,624	28,638,624	31,502,486	34,652,735	34,652,735	36,385,372	38,204,640	40,114,872	
List type of FBS service	Location of households for each type of FBS								
	Formal settlements - (free sanitation service to indigent households)								
	234,554,512	220,606,555	322,942,696	321,366,358	321,366,358	364,360,604	415,388,107	460,974,086	
	Number of HH receiving this type of FBS								
	458,127	462,708	469,649	332,697	332,697	361,974	393,828	428,485	
List type of FBS service	Informal settlements (Rands)								
	116,512,222	170,677,005	168,751,376	444,195,000	913,810,425	450,000,000	474,300,000	499,912,200	
	Number of HH receiving this type of FBS								
	119,217	119,217	131,139	144,253	144,253	151,465	159,038	166,990	
	116,512,222	170,677,005	168,751,376	444,195,000	913,810,425	450,000,000	474,300,000	499,912,200	
List type of FBS service	Location of households for each type of FBS								
	Formal settlements - (removed once a week to indigent households)								
	214,061,048	256,567,149	269,577,049	291,071,563	291,071,563	315,069,930	354,772,786	373,212,385	
	Number of HH receiving this type of FBS								
	98,523	115,000	115,000	135,000	135,000	150,000	150,000	150,000	
List type of FBS service	Informal settlements (Rands)								
	15,800,000	15,000,000	15,000,000	20,000,000	20,000,000	51,700,000	56,094,500	60,862,533	
	Number of HH receiving this type of FBS								
	164,699	164,699	164,699	164,699	164,699	164,699	164,699	164,699	
	15,800,000	15,000,000	15,000,000	20,000,000	20,000,000	51,700,000	56,094,500	60,862,533	
Refuse Removal	Informal settlements targeted for upgrading (Rands)								
	Total cost of FBS - Refuse Removal for informal settlements								

Table 91 MBRR Table SA32 – List of external Mechanisms

EKU Ekurhuleni Metro - Supporting Table SA32 List of external mechanisms					
External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
1. R & G INDUSTRIAL SUPPLY CC 2. SPHANDILE TRADING ENTERPRISE (PTY) LTD 3. ACTOM (PTY) LTD T/A GENLUX LIGHTING A DIVISION OF ACTOM (PTY) LTD 4. SCHICK SERVICES CC	18mths	18	THE SUPPLY, DELIVERY AND OFF-LOADING OF STREETLIGHT AND FLOODLIGHT LUMINAIRES ON AS AND WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2018	30 June 2018	36,000
1. BVUMI INVESTMENTS CC 2. ZEE RECRUITMENT AGENCY CC	29mths	29	THE APPOINTMENT OF SERVICE PROVIDERS FOR THE RENDERING OF THE COMPREHENSIVE REFUSE REMOVAL SERVICES INCLUDING STREET CLEANING, SWEEPING, LITTER PICKING, REFUSE COLLECTION, REMOVAL OF ILLEGALLY DUMPED WASTE, EDUCATION AND AWARENESS AND RECYCLING SERVICES WITHIN THE BOUNDARIES OF	30 June 2019	33,875
1. IMBAWULA TECHNICAL SERVICES CC 2. FULL SERVE SERVICES (PTY) LTD 3. AMPCOR KHANYISA (PTY) LTD 4. SECRETE STEPS TRADING (PTY) LTD 5. RFR ELECTRICAL CONTRACTORS	17mths	17	THE REPAIR AND MAINTENANCE OF LOW VOLTAGE AND MEDIUM VOLTAGE UNDERGROUND CABLE NETWORKS UP TO 22KV INCLUDING COPPER AND OPTIC FIBRE PILOT CABLES FOR THE NETWORK, LOAD MANAGEMENT AND SCADA ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2018	30 June 2018	543,674
1. SRY ENVIRONMENT PEST CONTROL AND PROJECTS CC 2. MZOZU TRADING ENTERPRISE CC 3. WARTHOG PROMOTIONS CC	17mths	17	THE SUPPLY, DELIVERY AND OFF-LOADING OF REFUSE BAGS, ON AN AS AND WHEN REQUIRED BASIS FOR A PERIOD WITH EFFECT FROM DATE OF AWARD UNTIL 30 JUNE 2018	30 June 2018	30,000
1. Tshwane Cables (Pty) Ltd 2. Alulamp CC 3. PH Marketing (Pty) Ltd 4. Medupe Distributors (Pty) Ltd 5. ATC (Pty) Ltd t/a Tank Industries and African	17mths	17	THE SUPPLY, DELIVERY AND OFF-LOADING OF MEDIUM VOLTAGE CABLE ACCESSORIES FOR XLPE AND IMPREGNATED PAPER- INSULATED POWER CABLES INCLUDING 110 & 160 MM CORRUGATED HIGH-DENSITY POLYETHYLENE (HDPE) PIPES ON AN AS-AND-WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30	30 June 2018	38,000
1. BSA Holdings (Pty) Ltd 2. Memotek Trading CC	29mths	29	THE APPOINTMENT OF SERVICE PROVIDERS FOR THE SUPPLY, DELIVERY AND OFF-LOADING OF NEW METAL-ENCLOSED RING MAIN UNITS (RMU) ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2019	30 June 2019	133,000
1. Aberdare Cables (Pty) Ltd 2. Jupiter Electrical Wholesalers CC 3. ATC (Pty) Ltd t/a CBI-Electric: African Cables A Division of ATC (Pty)	29mths	29	THE SUPPLY, DELIVERY AND OFF-LOADING OF SINGLE-CORE AND THREE-CORE MASS-IMPREGNATED NON-DRAINING (MIND) PAPER- INSULATED LEAD-SHEATHED (PILC) AND SINGLE-CORE AND THREE- CORE CROSS LINK POLYETHYLENE (XLPE) MEDIUM VOLTAGE CABLES	30 June 2019	850,000
1. McCarthy T/A Bidvest McCarthy Isuzu Trucks (Pty) Ltd 2. Vomyise Consulting (Pty) Ltd 3. Phambili Services (Pty) Ltd	29mths	29	THE APPOINTMENT OF SERVICES PROVIDER FOR THE SUPPLY AND DELIVERY OF COMPACTORS, SKIP LOADERS, ROLL ON ROLL OFF, TRAILERS AND TRUCKS ON OUTRIGHT PURCHASE ON AN AS-AND- WHEN REQUIRED BASIS, FROM DATE OF AWARD UNTIL 30 JUNE 2019.	30 June 2019	110,000
1. Only-J Electrical 2. Oratile Consulting CC 3. Future Advertising and Marketing CC 4. Gentry Health CC	28mths	28	THE SUPPLY, DELIVERY AND OFF-LOADING OF VARIOUS SURGICAL PRODUCTS TO HEALTH FACILITIES ON AN AS-AND- WHEN REQUIRED UNTIL 30 JUNE 2019	30 June 2019	29,054
ACTOM (PTY) LTD T/A SWITCHGEAR DIVISION	28mths	28	THE APPOINTMENT OF A SERVICE PROVIDER FOR SUPPLY, DELIVERY AND OFF-LOADING OF MINIATURE SUBSTATIONS ON AN AS- AND-WHEN REQUIRED BASIS FOR A PERIOD WITH EFFECT FROM DATE OF AWARD UNTIL 30 JUNE 2019	30 June 2019	195,000
1. Well Earned Trading 14 CC 2. Civcon Construction (PTY) LTD	27mths	27	THE APPOINTMENT OF CONTRACTORS FOR CONSTRUCTION OF BRT STATIONS FOR PHASE 1 OF THE EKURHULENI IRPTN DUE TO THE TERMINATION OF CONTRACTS FOR THE SECOND AND THIRD HIGHEST SCORING BIDDERS	30 June 2019	57,770
1. RALEMA CONSULTING ENGINEERS PTY LTD 2. CIVEC CIVIL ENGINEERING CONSULTANTS CC 3. SIDO CONSULTING ENGINEERS 4. AKWETHU ENGINEERING AND DEVELOPMENT	28mths	28	THE APPOINTMENT OF CONSULTING ENGINEERS FOR THE AS AND WHEN REQUIRED DESIGN OF ROADS AND STORMWATER DRAINAGE PROJECTS AND THE MANAGEMENT OF CONTRACTORS FOR THE CONSTRUCTION OF VARIOUS PROJECTS IN EKURHULENI FOR A	30 June 2019	300,000

EKU Ekurhuleni Metro - Supporting Table SA32 List of external mechanisms					
External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2. R thousand
Name of organisation		Number			
FLEET HORIZON (PTY) LTD	28mths	28	DEPARTMENT: FINANCE: REQUEST TO OBTAIN APPROVAL FROM THE CITY MANAGER TO DISPENSE WITH OFFICIAL PROCUREMENT PROCESS TO PROCURE THE SERVICES OF A CONTRACT OF ANOTHER ORGAN OF STATE IN TERMS OF SECTION 32 OF THE SUPPLY CHAIN	30 June 2019	
SMALL ENTERPRISES DEVELOPMENT AGENCY CONSTRUCTION INCUBATOR (SECI) A TRUSTEE OF SMALL ENTERPRISES DEVELOPMENT AGENCY (SEDA)	28mths	28	ECONOMIC DEVELOPMENT DEPARTMENT: REQUEST FOR APPROVAL FROM THE CITY MANAGER FOR THE APPOINTMENT OF THE SMALL ENTERPRISES CONSTRUCTION INCUBATOR (SECI), A TRUSTEE OF THE SMALL ENTERPRISES DEVELOPMENT AGENCY AS PROGRAMME	30 June 2019	35,527
PRICEWATERHOUSECOOPERS INCORPORATED	16mths	16	ENTERPRISE PROJECT MANAGEMENT OFFICE (EPMO) DEPARTMENT: TO OBTAIN APPROVAL FROM THE CITY MANAGER IN TERMS OF PARAGRAPH 32 OF THE SUPPLY CHAIN MANAGEMENT REGULATIONS FOR APPOINTMENT OF A SUITABLE QUALIFIED AND EXPERIENCED MULTI-DISCIPLINARY PROFESSIONAL SERVICE PROVIDER FOR THE ESTABLISHMENT AND OPERATION OF A PROGRAMME MANAGEMENT OFFICE SECURED BY ANOTHER ORGAN OF STATE, CITY OF	30 June 2018	58,532
Lucazi Civil CC	28mths	28	APPOINTMENT OF A CONTRACTOR FOR MAJOR INSTALLATION, REPAIR, MAINTENANCE AND ANCILLARY WORK ON BULK WATER NETWORK IN ALBERTON DEPOT AREA, ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2019	30 June 2019	40,000
Tsekema Consulting Engineers (Pty) Ltd	28mths	28	MANAGEMENT SERVICE PROVIDER TO MANAGE THE STREET AND AREA LIGHTING MAINTENANCE FUNCTION FOR THE BENONI CUSTOMER CARE CENTRE, DAVEYTON, ETWATWA, ACTONVILLE, TAMBOVILLE AND WATTVILLE AREAS, FROM DATE OF AWARD	30 June 2019	17,996
MANOTSI TRADING/ELIAS PAPATE CONSTRUCTION/LMS AND MAMONDO DEVELOPMENT & CONSTRUCTION CONSORTIUM	15mths	15	DEPARTMENT: WATER AND SANITATION: REQUEST TO OBTAIN APPROVAL FROM THE CITY MANAGER TO DISPENSE WITH OFFICIAL PROCUREMENT PROCESS TO PROCURE THE SERVICES OF A CONTRACT OF ANOTHER ORGAN OF STATE DR. JS MOROKA LOCAL	30 June 2018	37,969
RED ANT SECURITY RELOCATION & EVICTION SERVICES (PTY) LTD	15mths	15	DEPARTMENT: HUMAN SETTLEMENTS REQUEST TO OBTAIN APPROVAL FROM THE CITY MANAGER TO DISPENSE WITH OFFICIAL PROCUREMENT PROCESS TO PROCURE THE SERVICES OF A CONTRACT OF ANOTHER ORGAN OF STATE IN TERMS OF SECTION 32 OF THE	30 June 2018	
ZRW MECHANIKA CC	15mths	15	THE SUPPLY, DELIVERY AND OFF-LOADING OF ENERGY DEMAND METERS, SPLIT PREPAYMENT METERS AND ELECTRONIC ENERGY / DEMAND METERS WITH REMOTE METER READING CAPABILITIES AS WELL AS MAINTENANCE PARTS FOR AN EXISTING ADVANCED	30 June 2018	339,176
1. SIYAKHOLWA TRANS AND CONSTRUCTIONS (PTY) LTD 2. ONLY -J ELECTRICAL & CONSTRUCTION CC 3. DINGWATHE GENERAL TRADING (PTY) LTD	27mths	27	APPOINTMENT OF A SERVICE PROVIDER FOR THE SUPPLY, DELIVERY AND OFF-LOADING OF CLINIC EQUIPMENT AND LINEN FOR ALL HEALTH FACILITIES IN THE EKURHULENI METROPOLITAN MUNICIPALITY ON AN AS-AND-WHEN BASIS FROM DATE OF AWARD	30 June 2019	15,353
STATE INFORMATION TECHNOLOGY AGENCY SOC LTD	27mths	27	DEPARTMENT: TO OBTAIN APPROVAL FROM THE CITY MANAGER TO UTILIZE SITA BUSINESS AGREEMENT FOR THE EXPANSION OF THE CURRENT HUMAN CAPITAL MANAGEMENT SYSTEM THROUGH PROCUREMENT OF LICENSES AND DEPLOYMENT OF PAYROLL, E-	30 June 2019	98,442
DEVELOPMENT BANK OF SOUTHERN AFRICA (DBSA)	27mths	27	EPMO DEPARTMENT: TO REQUEST APPROVAL FROM THE CITY MANAGER FOR THE APPOINTMENT OF DEVELOPMENT BANK OF SOUTHERN AFRICA (DBSA) TO RENDER CAPACITY DEVELOPMENT TECHNICAL SUPPORT AND IMPLEMENTATION OF	30 June 2019	3,841,529
Lateral Unison Insurance Brokers (Pty) Ltd	27mths	27	APPOINTMENT OF BROKER SERVICES RELATED TO SHORT TERM INSURANCE AND RISK SERVICES FOR THE PERIOD FROM 1 APRIL 2017 UNTIL 30 JUNE 2020, BUT AWARDED UNTIL 30 JUNE 2019	30 June 2019	44,275
1. NONGQAI POWER PRODUCTS CC 2. BUSHHOG TURF EQUIPMENT SACC. T/ADENIS MOWER 3. XAMHUNTI GENERAL TRADING ENTERPRISE CC	25mths	25	APPOINTMENT OF SERVICE PROVIDERS FOR SUPPLY, DELIVERY AND OFF-LOADING OF VARIOUS GRASS CUTTING, TREE CUTTING AND ANCILLARY EQUIPMENT, ON AN AS-AND-WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2019	30 June 2019	32,550
1. QUBEKELA PROJECTS CC 2. NEJENI CONSTRUCTION AND PROJECT MANAGEMENT CC	13mths	13	APPOINTMENT OF A CONTRACTOR FOR MAJOR INSTALLATION, REPAIR, MAINTENANCE AND ANCILLARY WORK ON BULK WATER NETWORK OF BRAKPAN AND NIGEL DEPOT AREAS, ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2019	30 June 2018	43,300
ADREACH (PTY) LTD	50mths	50	THE DESIGN, MANUFACTURE, SUPPLY, ERECTION, MANAGEMENT AND MAINTENANCE OF COMMERCIAL STREET LIGHT POLE ADVERTISEMENT RECEPTACLES IN LIEU OF THE RIGHT TO ADVERTISE ON THE ADVERTISEMENT PANELS FROM DATE OF AWARD	30 June 2021	13,720

City of Ekurhuleni – 2020/21-2022/23 Draft Medium Term Revenue and Expenditure Framework

EKU Ekurhuleni Metro - Supporting Table SA32 List of external mechanisms					
External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
PRIMEDIA (PTY) LTD T/A PRIMEDIA OUTDOOR DIVISION OF PRIMEDIA (PTY) LTD	49mths	49	THE DESIGN, MANUFACTURE, SUPPLY, ERECTION, MANAGEMENT AND MAINTENANCE OF STREET NAME ADVERTISING SIGNS FOR EKURHULENI METROPOLITAN MUNICIPALITY FOR A PERIOD FROM DATE OF AWARD UNTIL 30 JUNE 2021	30 June 2021	7,864
• JUPITER ELECTRICAL WHOLESALERS CC • KENNY RONNY CONSULTING CC T/A KENNY RONNY PROJECTS • ABERDARE CABLES (PTY) LTD	14mths	14	SUPPLY, DELIVERY AND OFF-LOADING OF LOW VOLTAGE CABLES ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2019	30 June 2019	405,000
(PTY) LTD 2. THE LANDMARK CONSORTIUM 3. NEOGESI ENERGY (PTY) LTD 4. HAMSA CONSULTING ENGINEERS CC			REQUEST FOR PROPOSAL: EKURHULENI ENERGY GENERATION PROGRAM THROUGH A POWER PURCHASE AGREEMENT FOR A PERIOD OF AT LEAST 20 YEARS		26,011,373
MOKHURANE TECHNOLOGIES (PTY) LTD	14mths	14	DEPARTMENT: INFORMATION AND COMMUNICATION TECHNOLOGY: REQUEST TO OBTAIN APPROVAL FROM THE CITY MANAGER TO DISPENSE WITH OFFICIAL PROCUREMENT PROCESS IN TERMS OF SECTION 32 OF THE SUPPLY CHAIN	30 June 2018	10,000
VARIOUS	25mths	25	THE APPOINTMENT OF MULTIPLE SPECIALIST CONSULTANTS TO RENDER PROFESSIONAL SERVICES IN VARIOUS INFRASTRUCTURE DISCIPLINES ON AN AS AND WHEN REQUIRED BASIS TO SUPPORT THE SUCCESSFUL IMPLEMENTATION OF	30 June 2019	750,000
UTILITY RISK MANAGEMENT (PTY) LTD	37mths	37	APPOINTMENT OF A REMOTE METER SERVICE PROVIDER FROM 01 JULY 2017 UNTIL 30 JUNE 2020.	30 June 2020	100,226
1. FULLSERVE (PTY) LTD 2. MASHAU SALPHINAZA PETROLEUM 3. LIMITLESS WORLD PETROLEUM (PTY) LTD 4. WASSA GASSESS (PTY) LTD VARIOUS	37mths 36mths	37 36	THE SUPPLY, DELIVERY AND OFF-LOADING OF PETROL AND AUTOMOTIVE DIESEL ON AN AS AND WHEN REQUIRED BASIS FROM 01 JULY 2017 UNTIL 30 JUNE 2020. INVITATION TO CONTRACTORS TO FORM PART OF A FRAMEWORK OF CONTRACTORS TO ASSIST THE EMM BUILT ENVIRONMENT WITH THE CONSTRUCTION, UPGRADE AND REPAIR/REPLACEMENT WORKS OF VARIOUS INFRASTRUCTURE	30 June 2020 30 June 2020	285,420 5,000,000
PHUMELELE GROUP & LIGHTSTONE JV	24mths	24	THE APPOINTMENT OF A SERVICE PROVIDER TO RENDER SERVICES FOR THE SUPPLY OF DEEDS REGISTRATION INFORMATION, FOR VARIOUS DEPARTMENTS WITHIN EKURHULENI METROPOLITAN MUNICIPALITY FROM DATE OF AWARD UNTIL 30 JUNE 2019	30 June 2019	22,550
1. Valuemax (Pty) Ltd 2. Makole Property Developments 3. Urban Dynamics Gauteng Inc 4. Civilchem Engineering Services	13mths	13	HUMAN SETTLEMENT DEPARTMENT: TO REQUEST FOR THE CITY MANAGER'S APPROVAL TO DISPENSE WITH THE OFFICIAL PROCUREMENT PROCESS TO PROCURE SERVICE PROVIDER'S OF ANOTHER ORGAN OF STATE IN TERMS OF REGULATION 32 OF THE SUPPLY CHAIN MANAGEMENT REGULATIONS APPOINTED	30 June 2018	
1. MEMOTEK TRADING CC 2. MPPM CONSULTING ENGINEERS CC 3. ISELWA ENGINEERING AND PROJECTS CC 4. ASATICO CIVIL AND CONSTRUCTION (PTY) LTD	12mths	12	THE APPOINTMENT OF MULTISERVICE PROVIDERS FOR SUPPLY, DELIVERY AND OFF-LOADING OF CONCRETE PLINTHS ON AN AS AND WHEN REQUIRED BASIS FOR A PERIOD FROM DATE OF AWARD UNTIL 30 JUNE 2019	30 June 2019	11,000
• MT BUSINESS AND NETWORKS CC • ONLY-J ELECTRICITY AND CONSTRUCTION CC • ACCOLADE ENGINEERS (PTY) LTD	24mths	24	THE MAINTENANCE OF VARIOUS LAKES AND DAMS ON AN AS AND WHEN REQUIRED BASIS BY MEANS OF THE EXPANDED PUBLIC WORKS PROGRAMME, FROM DATE OF AWARD UNTIL 30 JUNE 2019	30 June 2019	31,639
VARIOUS	24mths	24	THE APPOINTMENT OF A PANEL OF AUDIT FIRMS TO PROVIDE AUDIT AND RISK MANAGEMENT SERVICES ON AN AS AND WHEN REQUIRED BASIS FOR THE PERIOD WITH EFFECT FROM DATE OF AWARD UNTIL 30 JUNE 2019	30 June 2019	25,460
VARIOUS	24mths	24	THE APPOINTMENT OF SERVICE PROVIDERS FOR THE GENERAL MAINTENANCE OF VARIOUS CEMETERIES INSIDE AND OUTSIDE FROM DATE OF AWARD UNTIL 30 JUNE 2019 (CLUSTER 1)	30 June 2019	88,900
1. MBHEKO HOLDINGS (PTY) LTD 2. IMBAWULA CIVIL PROJECTS (PTY) LTD 3. XONO CIVIL ENTERPRISES CC 4. URBAN PLAN JV	35mths	35	THE APPOINTMENT OF CONTRACTORS FOR LEAK FIXING SERVICES AT REGISTERED INDIGENT HOUSEHOLDS AND SCHOOLS IN THE EKURHULENI METROPOLITAN MUNICIPALITY ON AN AS-AND-WHEN REQUIRED BASIS, FROM DATE OF AWARD UNTIL 30 JUNE 2020.	30 June 2020	25,400

City of Ekurhuleni – 2020/21-2022/23 Draft Medium Term Revenue and Expenditure Framework

EKU Ekurhuleni Metro - Supporting Table SA32 List of external mechanisms					
External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
BRIDGING DIGITAL DIVIDE GROUP (PTY) LTD	11mths	11	BRIDGING DIGITAL DIVIDE GROUP (PTY) LTD DEPARTMENT: INFORMATION AND COMMUNICATION TECHNOLOGY: REQUEST TO OBTAIN APPROVAL FROM THE CITY MANAGER TO DISPENSE WITH OFFICIAL PROCUREMENT PROCESS IN TERMS OF SECTION 32 OF THE SUPPLY CHAIN MANAGEMENT REGULATIONS TO ASSIST THE DEPARTMENT TO UTILIZE THE CONTRACT FOR THE INSTALLATION OF NETWORK POINTS AND REPAIR AND MAINTENANCE OF THE EXISTING OPTICAL FIBRE NETWORK SECURED BY ANOTHER ORGAN OF STATE: CITY OF TSHWANE, CONTRACT NUMBER GICT 03-2016/17 FOR MAINTENANCE OF THE EXISTING OPTICAL FIBRE NETWORK FROM DATE OF APPOINTMENT UNTIL 31 DECEMBER 2018 OR UNTIL THE NEW CONTRACT FOR FIBER MAINTENANCE IS APPROVED OR WHICHEVER COMES FIRST.	30 June 2018	40,000
1. KATORUS FIRE SYSTEM (PTY) LTD 2. ACCOLADE ENGINEERS (PTY) LTD 3. SPHANDILE TRADING ENTERPRISE (PTY) LTD 4. ECONOCOM 671 CC 5. DOTFIRE CC	23mths	23	THE APPOINTMENT OF SERVICE PROVIDERS FOR THE MAINTENANCE OF FIRE HYDRANTS THROUGH THE USE OF THE EXPANDED PUBLIC WORKS PROGRAM (EPWP), ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2019	30 June 2019	45,000
REM MAMS CONSTRUCTION AND PROJECTS (PTY) LTD	23mths	23	APPOINTMENT OF A CONTRACTOR FOR THE UPGRADING AND REFURBISHMENT OF THE DAVEYTON SWIMMING POOL	30 June 2019	12,367
TSEKEMA CONSULTING ENGINEERS (PTY) LTD	23mths	23	THE APPOINTMENT OF AN ENGINEERING CONSULTING FIRM TO PERFORM THE DUTIES AS A METER MANAGEMENT CONSULTANT TO MANAGE THE EMM'S ELECTRICITY METERS, METER RELATED MATERIALS AND AMR METER READING DATA FROM DATE OF AWARD UNTIL 30 JUNE 2020	30 June 2020	151,303
BERNHARD HOLDINGS (PTY) LTD	19mths	19	THE SUPPLY AND DELIVERY OF VARIOUS TYPES OF FIRE ARMS FOR EKURHULENI METROPOLITAN POLICE DEPARTMENT (EMPD) ON AS-AND-WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2019	30 June 2019	19,000
1. MPANDLA TRADING 2. DAT MAROESHE CONSTRUCTION 3. BASADI INVESTMENT AND PROJECTS 4. MBHEKO HOLDING PTY LTD 5. JSQN GENERAL DEALER 6. NAMASANGO BUSINESS ENTERPRISE	22mths	22	THE APPOINTMENT OF CONTRACTORS FOR THE LAYING OF VARIOUS TYPES OF PAVING BLOCKS, KERBS AND RELATED ANCILLARY WORKS ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2019	30 June 2019	108,000
1. THORBURN TECHNICAL (PTY) LTD 2. BATSHAIT SOLUTIONS CC 3. MPANDE TECHNOLOGIES CC 4. NTSHEBIK TRADING ENTERPRISE (PTY) LTD 5. FEZ'UMBONO TRADING & PROJECTS CC	22mths	22	THE APPOINTMENT OF SERVICE PROVIDERS FOR THE SUPPLY, DELIVERY AND OFFLOADING OF COMPUTER EQUIPMENT ON AN AS-AND-WHEN BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2019.	30 June 2019	12,373
1. KHABOKEDI WASTE MANAGEMENT (PTY) LTD 2. SOUTHERN AMBITION JV OSIAMO 3. SUNGU SUNGU PROJECTS CC	34mths	34	APPOINTMENT OF LANDFILL OPERATORS FOR THE OPERATIONS AND MAINTENANCE OF RIET FONTEIN, ROOIKRAAL AND PLATKOP LANDFILL SITES FROM THE DATE OF AWARD UNTIL 30 JUNE 2020	30 June 2020	92,067
1. MMAZWI CIVIL AND CONSTRUCTION SERVICES CC 2. VUKUZITHATHE WAREHOUSING AND PROJECTS CC 3. LEGADIMA DISTRIBUTION PTY LTD & ZULU KHOZABROTHERS ENTERPRISES PTY LTD KEDI TECHNOLOGY JV 4. NOKENG-GUNDO WASTE MANAGEMENT JV (PTY) LTD 5. WASTE PARTNER INVESTMENTS (PTY) LTD 6. PHAKALEBOHANG TRADING AND PROJECTS (PTY) LTD 7. MCC SECURITY AND PROJECTS CC 8. BEFORE DAWN PROPERTY DEVELOPERS CC 9. ZFM TRADING CC, 10. NEW ERA COMMERCE (PTY) LTD 11. TBS TRADING (PTY) LTD 12. CAMARNI (PTY) LTD 13. GLOWAX (PTY) LTD 14. LINDWE MULTISERVICES (PTY) LTD 15. GOBOBO TRANSPORT (PTY) LTD 16. XAMHUNTI GENERAL TRADING ENTERPRISE CC 17. ETSANG ENTERPRISE (PTY) LTD	34mths	34	THE APPOINTMENT OF SERVICE PROVIDERS FOR THE REMOVAL, CLEANING AND REHABILITATION OF ILLEGALLY DUMPED NON-TOXIC, NON-OBJECTIONABLE SOLID WASTE AND RUBBLE ON AN AS AND WHEN REQUIRED BASIS WITH EFFECT FROM DATE OF AWARD UNTIL 30 JUNE 2020	30 June 2020	96,831

EKU Ekurhuleni Metro - Supporting Table SA32 List of external mechanisms					
External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
VARIOUS	22mths	22	THE APPOINTMENT OF A PANEL OF A SUITABLY EXPERIENCED EVENTS MANAGEMENT COMPANIES TO BE PLACED ON A PANEL OF EXPERTS TO ASSIST THE EKURHULENI METROPOLITAN MUNICIPALITY TO RENDER EVENTS MANAGEMENT SERVICE FROM DATE OF AWARD UNTIL 30 JUNE 2019.	30 June 2019	508,450
1. WATER MANAGEMENT SERVICES CC 2. PTP INTEGRATED (PTY) LTD	34mths	34	THE APPOINTMENT OF A SERVICE PROVIDER FOR THE RENEWAL OF eMIS (ENGINEERING MANAGEMENT INFORMATION SYSTEM) ENTERPRISE LICENSING AGREEMENT, SUPPORT AND MAINTENANCE ON AN AS-AND-WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2020.	30 June 2020	90,000
VARIOUS	34mths	34	APPOINTMENT OF LANDSCAPE CONTRACTORS ON AN AS-AND- WHEN REQUIRED BASIS FOR VARIOUS PARKS AND CEMETERIES DEVELOPMENT PROJECTS IN EMM FROM DATE OF AWARD UNTIL 30 JUNE 2020	30 June 2020	184,439
1. EOH (PTY) LTD 2. BMK CONSULTING ENGINEERS (PTY) LTD 3. AGANANG CONSULTING ENGINEERS CC 4. NAIDU (PTY) LTD	22mths	22	THE APPOINTMENT OF PROFESSIONAL SERVICE PROVIDER TO DEVELOP A PAVEMENT MANAGEMENT SYSTEM (PMS) FOR EMM THAT WILL COMPRISE OF ROADS INVENTORY DATA COLLECTION, INSPECTION, ASSESSMENT OF CONDITION AND STRENGTH, AND FORMULATE MAINTENANCE PROGRAMS FROM DATE OF AWARD UNTIL 30 JUNE 2019	30 June 2019	13,518
1. ABB SOUTH AFRICA (PTY) LTD 2. DIPRO CONSULTING CC 3. SCHWEITZER ENGINEERING LABORATORIES (PTY) LTD 4. WOODBEAM (PTY) LTD	22mths	22	THE APPOINTMENT OF SERVICE PROVIDERS FOR SUPPLY, DELIVERY AND OFF-LOADING OF PROTECTION RELAYS, AUXILIARY EQUIPMENT AND AUTOMATIC VOLTAGE REGULATION RELAYS ON AN AS AND WHEN REQUIRED BASIS FOR A PERIOD FROM DATE OF AWARD UNTIL 30 JUNE 2019.	30 June 2019	9,000
1. NRB PIPING SYSTEMS INLAND (PTY) LTD 2. ELSTER KENT METERING (PTY) LTD 3. SENSUS SOUTH AFRICA (PTY) LTD 4. DAVIS & DEALE IRRIGATION (PTY) LTD 5. NOMSANDRA PROJECTS CC	34mths	34	THE SUPPLY, DELIVERY AND OFF-LOADING OF VARIOUS SIZES OF WATER METERS AND RELATED MATERIAL, ON AN AS-AND- WHEN REQUIRED BASIS FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2020, AS ADVERTISED	30 June 2020	200,000
1. LIDWALA CONSULTING ENGINEERS SA (PTY) LTD 2. QONDA EKUKANYENI CONSULTING ENGINEERS & PROJECT MANAGEMENT (PTY) 3. TSEKEMA CONSULTING ENGINEERS (PTY) LTD 4. AURECON SOUTH AFRICA (PTY) LTD 5. SMEC SOUTH AFRICA (PTY) LTD	34mths	34	THE APPOINTMENT OF CONSULTANT ENGINEERS FOR THE MANAGEMENT OF EKURHULENI METROPOLITAN'S WATER METER INSTALLATIONS, DISCONNECTIONS, RESTRICTIONS, RECONNECTIONS AND MAINTENANCE, FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2020	30 June 2020	18,834
XON SYSTEMS (PTY) LTD	34mths	34	DEPARTMENT: INFORMATION, COMMUNICATIONS AND TECHNOLOGY: REQUEST TO OBTAIN APPROVAL FROM THE CITY MANAGER TO PROCURE THE SERVICES OF A CONTRACT OF ANOTHER ORGAN OF STATE (SITA TRANSVERSAL TENDER RFB 2003/2014) IN TERMS OF SECTION 31 OF THE SUPPLY CHAIN MANAGEMENT REGULATIONS FOR APPOINTMENT OF THE SERVICE PROVIDER FOR THE SUPPLY, DELIVERY, INSTALLATION, CONFIGURATION, EXPANSION, SUPPORT AND MAINTENANCE SERVICES OF CONVERGED INFRASTRUCTURE TO PROACTIVELY ACCOMMODATE NEW APPLICATIONS, PROJECTS AND FUTURE DATA GROWTH AS-AND-WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2020.	30 June 2020	136,000
ELECT ASSURE SA PTY LTD	34mths	34	THE APPOINTMENT OF A SERVICE PROVIDER FOR THE SUPPLY AND INSTALLATION OF NEW TRAFFIC SIGNAL EQUIPMENT ON AN AS AND WHEN REQUIRED BASIS WITH EFFECT FROM DATE OF AWARD UNTIL 30 JUNE 2020	30 June 2020	14,822
1. MEGAPHASE TRADING 380 (PTY) LTD 2. C.M.J AGENCY CC 3. FIREFIGHTING LOGISTICS CC 4. SPHANDILE TRADING ENTERPRISE (PTY) LTD	21mths	21	THE SUPPLY, DELIVERY AND OFF-LOADING OF UNIFORM CLOTHING FOR EMERGENCY SERVICES PERSONNEL ON AN AS AND WHEN REQUIRED BASIS, FROM DATE OF AWARD UNTIL 30 JUNE 2019	30 June 2019	13,000
1. EAKAPABUSINESS ENTERPRISE 2. SNR ELECTRICAL 3. ELLICIDOR 178 CC 4. RO SWIKAPROJECT BUILDING AND CONTRACTORS 5. TN MOLEFE CONSTRUCTION	33mths	33	INVITATION TO CONTRACTORS TO FORM PART OF A FRAMEWORK OF CONTRACTORS TO ASSIST THE EMM BUILT ENVIRONMENT WITH THE CONSTRUCTION, UPGRADE AND REFURBISHMENT WORKS OF VARIOUS INFRASTRUCTURE PROJECTS (BUILDING CONSTRUCTION, CIVIL ENGINEERING, ELECTRICAL ENGINEERING, MECHANICAL ENGINEERING, AND SPECIAL WORKS), ON AN AS-AND-WHEN REQUIRED BASIS FROM 1 JULY 2017 until 30 JUNE 2020 (ONLY CIDB LEVEL 4PE TO 9).	30 June 2020	5,000,000

City of Ekurhuleni – 2020/21-2022/23 Draft Medium Term Revenue and Expenditure Framework

EKU Ekurhuleni Metro - Supporting Table SA32 List of external mechanisms					
External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
VARIOUS	33mths	33	THE APPOINTMENT OF AS AND WHEN SERVICE PROVIDERS TO RENDER PROFESSIONAL SERVICES AS ENGINEERING CONSULTANTS TO THE "WATER AND SEWER NEW PROJECTS, UPGRADING, RENEWAL AND EXTENSION PROGRAMME" IN SW AND NE DISTRICTS, FOR THE MULTI-YEAR FINANCIAL PERIOD FROM THE DATE OF AWARD UNTIL 30 JUNE 2020	30 June 2020	2,333,150
VODACOM (PTY) LTD	33mths	33	DEPARTMENT : INFORMATION AND COMMUNICATION TECHNOLOGY: REQUEST TO OBTAIN APPROVAL FROM THE CITY MANAGER IN TERMS OF SECTION 32 OF THE SUPPLY CHAIN MANAGEMENT REGULATIONS TO ASSIST THE DEPARTMENT TO PROCURE THE CITIZEN ENGAGEMENT MOBILE APPLICATION FROM DATE OF AWARD UNTIL 30 JUNE 2020	30 June 2020	10,083
1. GAU FLORACC 2. QOPHE CONSTRUCTION CC 3. MDINA ENGINEERING 4. NKOMABA TRADING AND PROJECTS CC 5. QINISA CONSTRUCTION (PTY) LTD 6. BUZAPHI CONSTRUCTION (PTY) LTD 7. LETTAM BUILDING AND CIVIL CC 8. ASATICO CIVIL AND CONSTRUCTION (PTY) LTD 9. MLOKOTHLWA CONSTRUCTION AND MANAGEMENT SERVICES CC 10. EDWIN CONSTRUCTION (PTY) LTD 11. MONALA GENERAL 12. REKHUTSE CONSTRUCTION AND CLEANING SERVICE 13. GABORENA CONSTRUCTION AND PROJECTS SERVICES CC 14. BOITSHOKO SURFACING AND CIVIL WORKS CC	33mths	33	THE APPOINTMENT OF CONTRACTORS FOR THE UPGRADING AND CONSTRUCTION OF ROADS AND STORM WATER INFRASTRUCTURE ON AN AS AND WHEN REQUIRED BASIS, FROM DATE OF AWARD TO 30 JUNE 2020.	30 June 2020	1,742,000
ELSTER SOLUTIONS (PTY) LTD	9mths	9	THE SUPPLY, DELIVERY AND OFF-LOADING OF 160A POLY PHASE DIRECT CONNECT ENERGY DEMAND METERS ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2018.	30 June 2018	9,975
1. AMPCOR KHANYISA (PTY) LTD 2. STATEWAY SWITCHBOARDS (PTY) LTD 3. TGOOD AFRICA (PTY) LTD 4. EDISON POWER GROUP LTD	21mths	21	THE APPOINTMENT OF SERVICE PROVIDERS FOR SUPPLY, DELIVERY AND OFF-LOADING OF METAL CLAD SWITCHGEAR FOR THE CITY OF EKURHULENI ON AN AS AND WHEN REQUIRED BASIS FOR A PERIOD FROM DATE OF AWARD UNTIL 30 JUNE 2019 BUT AWARDED UNTIL 2018	30 June 2019	400,000
1. YENZISISA-RAPDL CONSORTIUM 2. ROBECO_ONE AFRICA JV 3. NTWALENG TRADING (PTY) LTD 4. MARABE PROJECTS (PTY) LTD 5. ASATICO CIVIL AND CONSTRUCTION (PTY) LTD 6. HALCYLINE-ESOR JV 7. MCC SECURITY AND PROJECTS CC 8. UBONDA-JEDD CIVILS JV 9. MZINI GENERAL CONSTRUCTION CC 10. AKWENI GROUP AND RAZORBILL JV 11. JUST RIGHT/BOTLALE CIVILS JV 12. TSHWARTHEBE CONSTRUCTION CC 13. HELM CONSTRUCTION (PTY) LTD 14. REALETAMISA TRADING AND PROJECTS CC 15. ABLI TRADING CC 16. SIVTECH AND AVENIR JV 17. LTE CONSULTING (PTY) LTD & SETHEO ENGINEERING JV 18. MATLAILAS CONSTRUCTION & MATSHIWANA TRADING JV 19. MAPHECEKA CONSTRUCTION & PROJECTS CC 20. TSK CONSTRUCTION (PTY) LTD	33mths	33	THE APPOINTMENT OF ALTERNATIVE BUILDING TECHNOLOGY (ABT) CONTRACTORS TO PROVIDE TURNKEY SOLUTIONS FOR THE DESIGN, SUPPLY AND CONSTRUCTION OF VARIOUS BUILDING TYPOLOGIES AND OPERATIONAL FACILITIES FOR CITY OF EKURHULENI ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2020	30 June 2020	1,950,000

City of Ekurhuleni – 2020/21-2022/23 Draft Medium Term Revenue and Expenditure Framework

EKU Ekurhuleni Metro - Supporting Table SA32 List of external mechanisms					
External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
1. BOITSHENOLO AUCTIONEERS and AGRICULTURAL FARMING CC 2. SPOKES AUCTIONEERS 3. ALISOZE TRADING (PTY) LTD T/A UNITY AUCTIONEERS	29mths	29	APPOINTMENT OF CAPABLE AND EXPERIENCED AUCTIONEERING COMPANIES TO CONDUCT AUCTIONS TO DISPOSE OFF IMMOVABLE AND MOVABLE ASSETS AND MATERIAL, EITHER SEPARATELY OR COLLECTIVELY, ON AN AS AND WHEN REQUIRED BASIS, FOR A PERIOD, WITH EFFECT FROM DATE OF AWARD UNTIL 30 JUNE 2020	30 June 2020	
1. ANGELO KATER MOTOR TRIMMERS (PTY) LTD 2. FIRE RAIDERS (PTY) LTD	29mths	29	APPOINTMENT OF A SERVICE PROVIDER TO MANUFACTURE, SUPPLY, DELIVER AND COMMISSION MOBILE B.E.S.A.F.E UNITS BY MEANS OF OUTRIGHT PURCHASE ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2020	30 June 2020	11,000
1. PHU2MAB PROJECTS (PTY) LTD 2. ESAKHALENI PROJECTS CC 3. HOLEBYE TRADING 2 (PTY) LTD 4. OPAL PROJECTS AND MANAGEMENT CC 5. TOTOBELA TRADING AND PROJECT CC 6. TSHIRELETSO TRAFFIC AND ROAD MANAGEMENT 7. NUMBERLINE CC 8. NALATRADE ENTERPRISE	29mths	29	THE APPOINTMENT OF SERVICE PROVIDERS FOR THE SUPPLY AND PAINTING OF ROAD MARKING THE COE ON AN AS AND WHEN REQUIRED BASIS, FOR THE PERIOD WITH EFFECT FROM ACCEPTANCE BY THE EMM UNTIL 30 JUNE 2020	30 June 2020	44,230
1. ELECT ASSURE SAPTY LTD 2. KOTLOLO KEEWAVE TRADING 334 CC	29mths	29	THE APPOINTMENT OF SERVICE PROVIDER/S FOR THE REPLACEMENT OF TRAFFIC SIGNAL EQUIPMENT AND THE REPLACEMENT OF TRAFFIC SIGNAL INSTALLATION FOR ALL OF THE CITY OF EKURHULENI ON AN AS AND WHEN REQUIRED BASIS WITH EFFECT FROM DATE OF AWARD UNTIL 30 JUNE 2020	30 June 2020	57,888
DIDO DIGITAL DOCUMENT (PTY) LTD	30mths	30	THE APPOINTMENT OF SERVICE PROVIDERS FOR THE SUPPLY, INSTALLATION AND MAINTENANCE OF UNSHIELDED TWISTED PAIR (UTP) CABLING ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2020	30 June 2020	50,000
1. REAL TIME TRADING AND PROJECTS 2. AYAMAPROJECTS (PTY) LTD	30mths	30	THE APPOINTMENT OF SERVICE PROVIDERS TO SUPPLY, INSTALL AND COMMISSION ENERGY EFFICIENT LAMPS BY RETROFITTING CURRENT LAMPS AND CONTROL GEAR ON THE CITY OF EKURHULENI (COE) FACILITIES ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2020.	30 June 2020	18,000
1. NOLEWU CONSTRUCTION ELECTRICAL CHEMICAL SUPPLIERS 2. NERM APPLICATIONS AND TESTING (PTY) LTD & E- MULTI CONSTRUCTION & ELECTRICITY JV 3. WANDIE'S TECHNICAL SERVICES CC 4. INTERACTIVE TRADING 156 (PTY) LTD 5. KUBAHKI CONTRACTORS 6. ZENZALO (PTY) LTD 7. AMPCOR KHANYISA (PTY) LTD 8. MOKGOSHI ELECTRICAL 9. MUSI ELECTRICAL ENGINEERING	30mths	30	THE APPOINTMENT OF ELECTRICAL CONTRACTOR/S FOR THE REPAIR AND MAINTENANCE OF STREET, AREA AND SPORTS FIELD LIGHTING ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2020	30 June 2020	93,000
ZRW MECHANIKACC	18mths	18	THE APPOINTMENT OF SERVICE PROVIDERS TO DESIGN, SUPPLY, INSTALL AND MAINTAIN SOLAR PV ROOFTOP POWER PLANTS IN COUNCIL BUILDINGS ACROSS EKURHULENI ON AN AS- AND-WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2019.	30 June 2019	30,000
UNIVERSITY OF WITWATERSRAND	6mths	6	STRATEGY AND CORPORATE PLANNING DEPARTMENT: TO OBTAIN APPROVAL FROM THE CITY MANAGER TO APPOINT THE UNIVERSITY OF THE WITWATERSRAND TO UNDERTAKE THE FIFTH QUALITY OF LIFE SURVEY IN EKURHULENI. FURTHERMORE, TO EXTEND THE SURVEY A REGIONAL AND WARD LEVEL IN TERMS OF SECTION 110 (2) OF THE MFMA, ACT 56 OF 2003 READ WITH THE PFMA, ACT 1 OF 1999, SCHEDULE 3 PART A ITEM 97 FROM DATE OF APPROVAL UNTIL 30 JUNE 2018.	30 June 2018	1,000

City of Ekurhuleni – 2020/21-2022/23 Draft Medium Term Revenue and Expenditure Framework

EKU Ekurhuleni Metro - Supporting Table SA32 List of external mechanisms					
External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2. R thousand
Name of organisation		Number			
1. BOITSHENOLO AUCTIONEERS and AGRICULTURAL FARMING CC 2. SPOKES AUCTIONEERS 3. ALISOZE TRADING (PTY) LTD T/A UNITY AUCTIONEERS	29mths	29	APPOINTMENT OF CAPABLE AND EXPERIENCED AUCTIONEERING COMPANIES TO CONDUCT AUCTIONS TO DISPOSE OFF IMMOVABLE AND MOVABLE ASSETS AND MATERIAL, EITHER SEPARATELY OR COLLECTIVELY, ON AN AS AND WHEN REQUIRED BASIS, FOR A PERIOD, WITH EFFECT FROM DATE OF AWARD UNTIL 30 JUNE 2020	30 June 2020	
1. ANGELO KATER MOTOR TRIMMERS (PTY) LTD 2. FIRE RAIDERS (PTY) LTD	29mths	29	APPOINTMENT OF A SERVICE PROVIDER TO MANUFACTURE, SUPPLY, DELIVER AND COMMISSION MOBILE B.E.S.A.F.E UNITS BY MEANS OF OUTRIGHT PURCHASE ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2020	30 June 2020	11,000
1. PHU2MA-B PROJECTS (PTY) LTD 2. ESAKHALENI PROJECTS CC 3. HOLEBYE TRADING 2 (PTY) LTD 4. OPAL PROJECTS AND MANAGEMENT CC 5. TOTOBELA TRADING AND PROJECT CC 6. TSHIRELETSO TRAFFIC AND ROAD MANAGEMENT 7. NUMBERLINE CC 8. NALA TRADING ENTERPRISE	29mths	29	THE APPOINTMENT OF SERVICE PROVIDERS FOR THE SUPPLY AND PAINTING OF ROAD MARKING THE COE ON AN AS AND WHEN REQUIRED BASIS, FOR THE PERIOD WITH EFFECT FROM ACCEPTANCE BY THE EMM UNTIL 30 JUNE 2020	30 June 2020	44,230
1. ELECT ASSURE SAPTY LTD 2. KOTLOLO KEEWAVE TRADING 334 CC	29mths	29	THE APPOINTMENT OF SERVICE PROVIDER/S FOR THE REPLACEMENT OF TRAFFIC SIGNAL EQUIPMENT AND THE REPLACEMENT OF TRAFFIC SIGNAL INSTALLATION FOR ALL OF THE CITY OF EKURHULENI ON AN AS AND WHEN REQUIRED BASIS WITH EFFECT FROM DATE OF AWARD UNTIL 30 JUNE 2020	30 June 2020	57,888
DIDO DIGITAL DOCUMENT (PTY) LTD	30mths	30	THE APPOINTMENT OF SERVICE PROVIDERS FOR THE SUPPLY, INSTALLATION AND MAINTENANCE OF UNSHIELDED TWISTED PAIR (UTP) CABLING ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2020	30 June 2020	50,000
1. REAL TIME TRADING AND PROJECTS 2. AYAMA PROJECTS (PTY) LTD	30mths	30	THE APPOINTMENT OF SERVICE PROVIDERS TO SUPPLY, INSTALL AND COMMISSION ENERGY EFFICIENT LAMPS BY RETROFITTING CURRENT LAMPS AND CONTROL GEAR ON THE CITY OF EKURHULENI (COE) FACILITIES ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2020.	30 June 2020	18,000
1. NOLEWU CONSTRUCTION ELECTRICAL CHEMICAL SUPPLIERS 2. NERM APPLICATIONS AND TESTING (PTY) LTD & E- MULTI CONSTRUCTION & ELECTRICITY JV 3. WANDIE'S TECHNICAL SERVICES CC 4. INTERACTIVE TRADING 156 (PTY) LTD 5. KUBAKHI CONTRACTORS 6. ZENZALO (PTY) LTD 7. AMPCOR KHANYISA (PTY) LTD 8. MOKGOSHI ELECTRICAL 9. MUSI ELECTRICAL ENGINEERING ZRW MECHANIKA CC	30mths	30	THE APPOINTMENT OF ELECTRICAL CONTRACTOR/S FOR THE REPAIR AND MAINTENANCE OF STREET, AREA AND SPORTS FIELD LIGHTING ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2020	30 June 2020	93,000
	18mths	18	THE APPOINTMENT OF SERVICE PROVIDERS TO DESIGN, SUPPLY, INSTALL AND MAINTAIN SOLAR PV ROOFTOP POWER PLANTS IN COUNCIL BUILDINGS ACROSS EKURHULENI ON AN AS- AND-WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2019.	30 June 2019	30,000
UNIVERSITY OF WITWATERSRAND	6mths	6	STRATEGY AND CORPORATE PLANNING DEPARTMENT: TO OBTAIN APPROVAL FROM THE CITY MANAGER TO APPOINT THE UNIVERSITY OF THE WITWATERSRAND TO UNDERTAKE THE FIFTH QUALITY OF LIFE SURVEY IN EKURHULENI. FURTHERMORE, TO EXTEND THE SURVEY A REGIONAL AND WARD LEVEL IN TERMS OF SECTION 110 (2) OF THE MFMA, ACT 56 OF 2003 READ WITH THE PFMA, ACT 1 OF 1999, SCHEDULE 3 PART A ITEM 97 FROM DATE OF APPROVAL UNTIL 30 JUNE 2018.	30 June 2018	1,000

2.16 Implementation of mSCOA

National Treasury (NT) indicated the below mentioned elements as minimum requirements for mSCOA compliance from the 1st of July 2017. Further deliverables were incorporated to operational refinements for all the implementations processes to date, understanding that this is an ongoing framework of deliverables. Milestones were successfully achieved on what was minimally required and further developments are still being implemented to enhance the implementation of the mSCOA Regulation.

Progress Update on the mSCOA Compliance Requirements as of to date:

1. Hosting the mSCOA Chart

The City's Financial System (Venus) is hosting the mSCOA Chart, which was a requirement for mSCOA enablement in an environment. It was furthermore required that all other sub-systems that carries financial transactions and exchange information with the financial system and the General Ledger, including the Human Resource System are made mSCOA Compliant, and this process the city is still undergoing, to incorporate and integrate all the other systems.

The Venus system was found to be archaic and could not integrate all sub-systems. To address this challenge, the City is implementing an Enterprise Resource Planning (ERP) system, called Solar. This ERP system, once fully implemented, will enable the City to meet all mSCOA requirements from integrated planning, budgeting and reporting.

The Financial System has been hosting the mSCOA chart, since 2015. The Chart has been upgraded to comply with Version 6.4 with effect from March 2020.

The HR system is currently in the process of being made fully compliant, it is currently hosting the short codes instead of the full chart and integration thereof is still to be done, also to note that the payroll system will be fully compliant.

2. The Integrated Budget Module (mSCOA Budgeting)

It has also been a requirement that municipalities must budget in mSCOA format and make submissions to NT of successful budgets which are compatible with the NT database, with correct data strings being uploaded to the NT database, this has since been successful. Budgeting in mSCOA has been achieved by the City of Ekurhuleni (CoE) with more refinements still underway. Departments have also been inducted and trained in the process of mSCOA budgeting using a tool called budgeting tool that has been deployed in the environment to further enhance the process of seamless planning, budgeting and reporting.

The Budget is on course for the 2020/21 financial year, to be delivered on time and in the required version of the mSCOA format which will be upgraded to Version 6.4 as of March 2020. The CoE will have to implement a budgeting tool in order to integrate its mSCOA budgeting within the organization projects and enable departments to do their own budgeting going forward.

3. Transacting in mSCOA

Version 6.4 further defines the level for capturing of transactions, expanding the structure and adopting the mSCOA guide for the municipalities. The CoE is currently transacting in mSCOA version 6.3 and we envisage a smooth transition to convert to the latest version 6.3 by March 2020, without interfering with the budget to be tabled around that period.

4. Reporting in mSCOA

To accommodate the mSCOA reform, uploading to the NT Local Government Portal was introduced whereby Municipalities had to be registered, authorized and authenticated and The CoE has achieved this milestone.

Similarly, to transacting, CoE has been reporting in mSCOA since the 1st of July 2015. Monthly upload of all financial transactions performed at an organizational level are uploaded to the NT database to ensure that CoE is conducting its transactions in mSCOA and doing so correctly. The changes that happened as from the 1st of July were that the source of reports now had to be in the mSCOA version 6.3, and the database had similarly been checked for compliance against version 6.3. Furthermore, to this reform, the MBRR schedules A, B and C can now be extracted from the Municipal Financial System and engagements are ongoing with the service provide to have the TRU Tool improved as it was taking long, almost a day, to upload data..

5. System changes and/or Upgrades

All changes to the Financial System and/or upgrades thereof had to conform to mSCOA circular 5 & 6 that were issued by National Treasury (NT). ICT had completed The Due Diligence prior to implementation of Solar, and any additional functionalities which were outlined, together with cost associated with the changes and/or upgrades to the system, which had to be justified and municipalities needed to provide recommendation to NT, if not, National Treasury will investigate the matter.

6. The Integrated IDP Module

Municipalities were to ensure that all projects in the IDP are aligned to Budgets. The “project” segment of the mSCOA chart requires municipality to allocate a posting level specific to the municipality’s project. The City’s extraction of the 2018/19 IDP expanded to mSCOA project segment has been linked. Failure to budget on posting levels will result in the municipalities file being rejected and will result in non-compliance.

Also to note municipalities had to review its asset classifications on its existing asset register to update and align it with mSCOA, furthermore, in view of mSCOA requiring full integration of the asset management sub-system(s), the municipality needs to ensure that the asset register also contains full information on each asset and this is well underway.

2.17 Municipal Manager's quality certificate



Municipal Manager's quality certificate

City Manager's Quality Certificate

I **Imogen Mashazi**, City Manager of City of Ekurhuleni, hereby certify that the Draft **2020/21 Annual Budget and Supporting Documentation** have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the **Annual Budget and Supporting Documents** are consistent with the Integrated Development Plan of the City.

Signature:  Date: 13/03/2020

Name of City Manager: **Dr Imogen Mashazi**
City Manager
City of Ekurhuleni (GT000)